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Andreotti Is Asked To Be Head of New Italian Government

Giulio Andreotti

By E.J. Dionne Jr.
New York Times Service

ROME — President Francesco Cossiga asked Foreign Minister Giulio Andreotti, a Christian Democrat who has led five Italian governments, on Thursday to try to form a new cabinet.

But within less than an hour of the announcement, the Socialist Party of Prime Minister Bettino Craxi, head of the caretaker government, issued a statement that complicated Mr. Andreotti's efforts before they started.

The Socialists expressed "deep worry" over the choice of a Christian Democrat that had "made a solution to the crisis even more distant."

Mr. Andreotti, 67, is one of Italy's wiliest and most experienced politicians, but his allies said that even he would find it difficult to resolve the 13-day impasse that has pitted the Christian Democrats against the Socialists.

"The Socialists have already given him the kiss of death," said Senator Francesco D'Onofrio, a Christian Democrat leader. "Andreotti's chances are very limited."

Mr. Andreotti was the architect of Italy's policy of sympathy to the Palestinian cause, as part of a "Mediterranean" policy that holds that Italy's economic and geographical destiny lies in playing a key role in the Middle East.

Mr. Andreotti's stand on the Middle East and other issues has often brought him into conflict with the United States.

The current crisis has come down to a pure partisan struggle for power between the Socialists and the Christian Democrats and a personal struggle between Mr. Craxi and the Christian Democratic leader, Ciriaco De Mita.

The Christian Democrats have said they could accept a new Craxi government. But they insist that Mr. Craxi either hand over the government at the end of this year, or keep it until the scheduled 1988 elections and then agree to run on a united platform with the five parties of the old governing coalition.

In having Mr. Andreotti try to form a government, one Christian Democrat said the party was effectively acknowledging how difficult the situation was. "We didn't want to put up a younger leader who might be ruined by failure," he said, adding that there was no chance of Mr. Andreotti's career being ruined.

Abu Abbas, top, hijacking organizer. Below are Youssef Magid al-Molqi, left, and Ibrahim Abdelatif.

Italy Sentences Abbas, 2 Others to Life in Prison

By Loren Jenkins
Washington Post Service

GENOA — An Italian court on Thursday convicted 11 men, including the leader of the Palestine Liberation Front, Mohammed Abbas, for the hijacking of the Achille Lauro cruise liner last year.

Mr. Abbas, also known as Abu Abbas, and two of his top assistants were sentenced to life imprisonment. All three were tried in absentia.

As the apparent organizer and planner of the hijacking of the Achille Lauro, the 37-year-old Mr. Abbas and his two chief lieutenants, Ozziddin Badrakkan, 39, and Ziad Omar, 35, were found by the court to be the most guilty, even if they are fugitives and thus able to escape punishment.

Three of the ship's four Palestinian hijackers who were in court, including the confessed killer of a crippled American, Leon Klinghoffer, were given sentences ranging from 30 to 15 years.

The fourth hijacker is to be tried in a juvenile court because he was only 17 at the time of the hijacking in October.

Four other defendants, also being tried in absentia, were found not guilty because of insufficient proof.

Mr. Abbas was released by the Italians after an Egyptian airliner taking him and the hijackers from Cairo to Tunisia was forced to land in Sicily by U.S. fighters. His release caused an outcry in the United States, which had called for his arrest.

The sentences were read by the presiding judge, Lino Monteverde, after he, the court's second judge and eight jurors had deliberated for three days on the evidence that emerged during the two-week trial.

When he heard that he had been given only a 30-year sentence rather than life imprisonment, Youssef Magid al-Molqi, 23, leader of the hijacking, broke into chants of: "Long live Italian justice, long live Palestine."

He had been named by one of his fellow hijackers as the killer of Mr. Klinghoffer.

The relatively lenient sentence Mr. Molqi received was the only surprise of the court's verdict and sentences. The prosecutor, Luigi Carli, had sought life imprisonment.

The sentences sparked an immediate reaction from the two daughters of Mr. Klinghoffer in the United States.

"I'm outraged," said Lisa Klinghoffer during a U.S. television interview after the sentences were pronounced. "I'm so outraged that the Italian government has done this. My father was killed in cold blood and his murderer will be out on the street very shortly."

Mr. Klinghoffer, 69 and confined to a wheel chair, was singled out among passengers for execu-

See SHIP, Page 2

Mitterrand, in Moscow, Says Superpowers Want Summit

U.S., Soviet To Discuss Verification

By Michael R. Gordon
New York Times Service

WASHINGTON — The United States and the Soviet Union have agreed in principle to discuss problems of verifying the underground testing of nuclear weapons, according to administration officials.

Officials said Wednesday that the proposed meeting was likely to be held this summer, although no time or place has been set.

These discussions would be the first on verification under the Reagan administration and might lead to progress on the issue of nuclear testing, some officials said.

The two sides have been deadlocked on the testing issue. The United States wants to improve verification procedures under two existing treaties that limit the size of underground explosions. The United States has said that it will not ratify the two treaties, which were signed in the 1970s, until additional measures are agreed to.

The Soviet Union wants to discuss ways to verify a total ban on weapon testing.

Under the agreement for the meeting, the two sides are free to raise any concerns on testing.

American officials expect the Soviet Union to press for a total test ban. The Americans plan to bring up their concerns about verification of the existing treaties and to explore the apparent growing Soviet willingness to agree to on-site verification and to discuss new methods of verification.

Officials said the suggestion for broad talks on verification had been made by President Ronald Reagan to Anatoly F. Dobrynin when the former Soviet ambassador paid a farewell call April 8.

Officials said the Soviet leader, Mikhail S. Gorbachev, had expressed general willingness to discuss verification in a recent letter to Mr. Reagan.

The two unratified treaties for which the United States is seeking tighter verification procedures limit underground explosions to a yield of 150 kilotons, equivalent to 150,000 tons of TNT. One treaty, signed in 1974 and known as the Threshold Test Ban Treaty, covers nuclear weapon tests; the other treaty, signed in 1976, covers engineering explosions and other peaceful uses.

The Reagan administration has said that it would not seek the necessary Senate ratification of the treaties until the Soviet Union improved the verification measures. The Soviet Union has said that it would not consider the request for additional verification measures after ratification.

Officials said there were differences within the administration over what sort of additional verification measures would be required. Defense Department officials are seeking on-site measurements of each large test. Other officials said less stringent procedures might be worked out.

In the meantime, a private American organization, the Natural Resources Defense Council of New York, worked out an agreement with the Soviet Academy of Sciences to monitor explosions at the Soviet Union's underground nuclear test site, west of Semipalatinsk, in Kazakhstan in Soviet central Asia.

Scientists associated with the organization were reported Sunday to have arrived in the Soviet Union to set up monitoring sites near the test site.

■ U.S. Seeks Soviet Move

The United States called Thursday on the Soviet Union to admit to possessing the world's largest stock of chemical weapons, Reuters reported from Geneva.

Thomas Barthelemy, an American arms negotiator, said at a 40-nation disarmament conference that Moscow should make the disclosure to lend confidence to efforts to negotiate a ban on production and stockpiling of such weapons.

As an incentive to others, Mr. Barthelemy said the U.S. delegation was making a detailed disclosure of every chemical weapon site in the United States.

Boris Yurchenko/The Associated Press

President François Mitterrand describing his visit Thursday.

Says SDI Is Main Obstacle To Arms Pact

By Gary Lee
Washington Post Service

MOSCOW — President François Mitterrand, ending a three-day state visit to Moscow, said Thursday that a U.S.-Soviet summit meeting was "clearly something that both sides want" and that he believed it would take place.

At a news conference, Mr. Mitterrand sounded a positive note on the chances for a summit meeting. President Ronald Reagan and Mikhail S. Gorbachev, the Soviet leader, agreed in November to meet in the United States this year, but the session remains unscheduled.

"Clearly the summit is something that both sides want," Mr. Mitterrand said. "That is the psychological and political reality.

"But there are qualifications on both sides," he said, "and particularly now from Gorbachev's point of view."

Mr. Mitterrand, who met with Mr. Gorbachev in three marathon sessions, said the Soviet leader had said "yes to a summit, but one with broad and substantive content.

"I am not in a position to say today when or whether it will take place," the French president added. "Diplomacy has a lot to do."

Based on his talks in Moscow and in New York last week with Mr. Reagan, Mr. Mitterrand said that the Strategic Defense Initiative remained one of the key deterrents to a nuclear arms accord between the United States and the Soviet Union. The U.S. research effort is aimed at developing a space-based defense against nuclear missiles.

"There are a certain number of obstacles" to an arms accord between the superpowers, Mr. Mitterrand said. "I am thinking in particular of SDI."

"This," he said, "is the major obstacle which has not been overcome."

Pointing to the possibility of a compromise between Washington

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Porgy and Bess at Glyndebourne. David Stevens reports. In Weekend.

Thatcher Hardens Case Against Sanctions

By Joseph Lelyveld
New York Times Service

LONDON — Prime Minister Margaret Thatcher has given an unusual series of six interviews this week with British and Canadian news media on South Africa and the sanctions question in an effort, as one of her aides explained it, "to deal with this moral fervor that apparently exists."

Mrs. Thatcher said Wednesday that she thought it would be "immoral" and "utterly repugnant" for well-off Western nations to impose sanctions on South Africa that would put poor Africans out of work.

She said that black South Africans such as Bishop Desmond M. Tutu, who have called for such measures, had good jobs that enabled them to look after their children.

Opinion surveys purporting to show that most blacks favored the idea of sanctions could not be trusted, the prime minister argued, because of the likelihood of intimidation in conditions now prevailing in South Africa's black townships.

"You've heard of 'the necklace?'" Mrs. Thatcher asked a British radio interviewer, referring to the mob executions in which tires filled with gasoline are placed around a person's neck and then ignited.

What course of action the British government should adopt toward South Africa is the dominant foreign policy issue in Britain and is also a subject of interest in Canada.

The Canadian government has spoken out in Commonwealth meetings in favor of sanctions against South Africa, and Mrs. Thatcher is to begin a visit to Canada this weekend.

While the subject of South Africa was raised in the interviews by the questioners, the breadth and intensity of her responses suggested that Mrs. Thatcher had been prepared to seize this moment to make a forceful statement of her views on the issue.

Taken together, the interviews represent a forceful attempt by the British leader to seize the moral high ground in the sanctions debate. That debate has been intensifying in Britain as a result of a widely ridiculed mission by her foreign secretary, Sir Geoffrey Howe, to southern Africa on behalf of the 12-nation European Community.

The declared goal of Sir Geoffrey's mission is to find ways of bringing the two sides in the conflict together for talks. But opposition politicians in Britain have denounced it as a stalling tactic designed to put off a decision on sanctions at a crucial Commonwealth meeting due to be held in London in three weeks.

The six interviews give the clearest picture to date of her views on the internal situation in South Africa. In them, Mrs. Thatcher refers only indirectly to the state of emergency proclaimed by the South African government on June 12.

The reference was only to make the point that emergencies, mass arrests and censorship are not unknown in some of the Commonwealth countries.

See THATCHER, Page 8

Howe to See Botha Twice This Month

The Associated Press

HARARE, Zimbabwe — Sir Geoffrey Howe, the British foreign secretary, said here Thursday that he will meet with President Pieter W. Botha of South Africa twice this month in his effort to bring an end to apartheid without further bloodshed.

"Despite the continued spilling of blood in South Africa," Sir Geoffrey said, "we are not remotely near a situation in which violence presents the only option for those who wish to see apartheid crumble."

Sir Geoffrey, who also is president of the European Community's Council of Ministers, said he would meet with Mr. Botha twice, on July 23 and 29, to give him time to consider a peace plan. His comments came after a meeting here with Prime Minister Robert Mugabe.

He said he also would confer this month with George P. Shultz, the U.S. secretary of state. He said his aim was to persuade Mr. Botha to hold talks with Nelson Mandela and other black leaders on a new constitution that would end apartheid and give political rights to the disfranchised black majority.

Le Duan, 78, Dies; Leader Of Vietnam

By Charles Mohr
New York Times Service

WASHINGTON — Le Duan, 78, the head of the Vietnamese Communist Party and one of the architects of final victory in the Vietnam War, died Thursday in Hanoi.

He had proved to be a faithful and able executor of the "political will" of Ho Chi Minh by managing to maintain the collective leadership that Ho left as a legacy on his death in 1969.

The death of Mr. Duan, who had clearly seemed to be first among equals in that durable leadership group, leaves a gap that will probably be filled at the sixth congress of the party tentatively scheduled for sometime late this year.

Le Duan was one of the most important North Vietnamese leaders who oversaw the war against South Vietnam from the late 1950s onward until reunification of Vietnam was achieved in 1975 with the collapse of the South Vietnamese Army and government.

Like all members of the party Politburo, he was a military as well as a civilian official, but his specialty was in the "strategy of political struggle," the organization of the population for revolutionary warfare.

His death was announced Thursday by the Voice of Vietnam radio, which said he died after "a period of serious illness." No cause of death was announced, but some experts on Vietnamese affairs said there had been many reports that he suffered from a kidney ailment.

The broadcast said a state funeral would be held Tuesday in Hanoi.

It made no mention of a replacement for Mr. Duan.

Although the size of the party political bureau varied from 14 to 17 members in recent years, Mr. Duan essentially shared power with four other major figures: Prime Minister Pham Van Dong; Le Duc Tho, who negotiated the abortive peace treaty with the United States in 1973; Truong Chinh, an ideological theorist often at odds with the more pragmatic Mr. Duan; and Pham Hung, now a state security chief but once the on-scene leader of Communist forces in the South during the war.

Prime Minister Dong is also reportedly very ill, and his retirement at the sixth party congress has been widely rumored. All of the top leaders are veterans of the first

See LE DUAN, Page 2

s Rich Grants Run Out, U.S. Fellows Face Reality

y Kathleen Teltsch
New York Times Service

W YORK — For each of the 0 months, a $4,000 check ar- regularly for Derek Walcott, t and playwright chosen in o be one of the first recipients MacArthur Foundation five- ellowship.

continued teaching and writ- etry while the checks allowed o travel without worrying bills and money problems.

el like the condemned man cell being asked what he for his last meal," Mr. Wal- id recently, facing the end of eeks. "But another five years bly would spoil me."

Walcott is one of 21 men and n in the first group selected foundation five years ago as creative people, and they are acing readjustment to the real

The grants liberated them the need to earn a living, of them by teaching.

e have worked on books, on scientific research, and used the money for tuition, to omes or for their savings. the dimensions of their accomplishments are difficult to gauge, the winners, in interviews, agreed that the years were uncommonly productive for them.

Leslie Marmon Silko, an American Indian novelist, filmmaker and poet who was an assistant professor of English when she won a MacArthur fellowship, said that with a regular, tax-free income, she was able to concentrate on completing a film and most of a novel set in the Southwest.

The cutoff of support probably will compel her to earn a living by lecturing. She vows that whatever she does, she will not be tied again to full-time teaching.

"I guess I never realized how intrusive and debilitating it was on my psychic energy," she said.

Each year since 1981, the foundation has named at least 20 recipients, spending $45 million on the program and making awards to 166 winners. It is to name another group later this month.

When the John D. MacArthur and Catherine T. MacArthur Foundation of Chicago established the fellowships, the wealthy philanthropy said it wanted to free gifted men and women to pursue their creative urges by lifting their financial burdens for five years. The awards have no strings attached and permit winners to spend their money as they wish.

J. Roderick MacArthur, son of John D. MacArthur, likened the venture to the Renaissance practice of rich patrons supporting artists and intellectuals. The MacArthur Fellowships just possibly could fan a spark of genius and produce another Michelangelo, Mr. MacArthur suggested before his death in 1984.

The foundation accepted no applications for the fellowships, and no interviews were held. Rather, MacArthur officials developed a secretive selection process, using 100 or more anonymous nominators around the United States to act as talent scouts and find candidates for fellowships.

Consequently, within the staid philanthropic community, unaccustomed to such unconventional ways, the MacArthur program was received somewhat skeptically and dubbed the "search for geniuses."

A number of the first 21 MacArthur Fellows dismiss the "genius" tag as nonsense or say it was something of an embarrassment. Others say the awards of $24,000 to $60,000 a year, based on the age of the recipient, stirred resentment among associates.

But many also agreed that the grants gave them the freedom to be productive in their work.

"It was an incredible experience because with the money there was a sense I could take five years and do what I wanted to do," said Dr. Robert Coles, the child psychiatrist and sociologist who already had

See GENIUS, Page 2

Derek Walcott, a playwright, now feels 'like the condemned man in the cell being asked what he wants for his last meal,' as the end of the money nears.

Derek Walcott

After the Big Party Is Over, Polish Ship Staggers to N.Y.

By Samuel G. Freedman
New York Times Service

NEW YORK — The Liberty Weekend party was already over. The multitudes had gone home. Maybe there were a few foam rubber diadems left in town, but that was about it.

And on Tuesday morning, the last boat in Operation Sail, a 37-foot sloop, the Stomil, reached New York. On her way into the harbor, the Stomil passed several ships already headed back to Europe.

"I'll tell you, it was a very funny feeling," said Dariusz Szymanski, first mate of the six-man, one-woman crew from the Academic Yachting Club of Lodz, Poland.

The Stomil docked after a 6,000-mile (9,700-kilometer) trip replete with tempests, tainted water and mechanical gremlins. Only after sitting 13 hours at Pier 84 did the crew dispatch Mr. Szymanski to find a police officer.

"He told me: 'I am from a Polish ship. I have landed here, and we want to stay here,'" Lieutenant John McDonald of the police said. "I thought they had jumped ship and were seeking asylum."

Rather, Mr. Szymanski wanted to let someone know that the Stomil had arrived safely — no small concern, because the sloop's radio had failed during her 33-day Atlantic crossing.

Two other Polish vessels that had been set to participate in Operation Sail, the 38-foot Jagiello and the 32-foot Almatur, never appeared. But they may have never left Poland, according to an Operation Sail spokesman, Jude Giabbai.

The Stomil's voyage, as the crew told the tale Wednesday, had been nothing but woes. While crossing the English Channel, the engine broke down. Then 100 liters (26 gallons) of drinking water became contaminated. The Stomil met three storms, each giving way to

See POLES, Page 2

Israelis Bomb Camps In Lebanon Following Clash With Guerrillas

By William Claiborne
Washington Post Service

JERUSALEM — Israeli planes bombed and strafed suspected Palestinian guerrilla bases in refugee camps in South Lebanon on Thursday in apparent retaliation for an attempted seaborne guerrilla attack on the northern Israeli coast.

A spokesman for the Israeli Defense Forces confirmed that Israeli jets attacked guerrilla positions in the Ain al Helweh refugee camp in Sidon. They were the first major Israeli air strikes in Lebanon in more than a year.

The Israeli Army command said that the warplanes hit terrorist bases of the splinter pro-Syrian Abu Musa wing of the Palestine Liberation Organization, as well as positions of the Popular Front for the Liberation of Palestine.

The air strikes came only a few hours after an attempted Palestinian guerrilla attack against Israel.

Two Israeli soldiers were killed and nine others were wounded in a clash early Thursday with Arab guerrillas who attempted to land on the Mediterranean coast in Israel in a rubber dinghy. Israeli officials said the guerrillas planned a major terror attack against Jewish settlements.

In a two-hour exchange of gunfire on a beach about 300 yards (275 meters) north of the international boundary at Rosh Hanikra, Israeli patrol boats and land-based soldiers were reported to have sunk a high-speed rubber dinghy manned by Palestinian guerrillas carrying rocket launchers, land mines and automatic rifles.

Four Palestinian guerrillas died in the shootout, according to Israeli officials.

Israeli security sources said the attempted attack was in retaliation for the decision Monday by Jordan's King Hussein to close down 25 branches of the Amman offices of the el-Fatah wing of the Palestine Liberation Organization.

Israeli military sources said the guerrillas were carrying maps showing that they intended to launch a terror attack against an Israeli settlement on the northern Galilee as a "showcase" operation against the Jewish state.

According to Israeli officials, the attack began at 2:30 A.M. when a 12-foot rubber dinghy powered by an outboard motor approached the Lebanese coast just south of Nakoura, which is close to the Rosh Hanikra international border on the Israeli frontier.

Israeli patrol boats intercepted the dinghy, an official said, and forced it onto the beach just north of the border.

"They were obviously intending to land inside Israel and attack civilians," said an Israeli military official. "The navy did what they always do in these cases."

Israeli military sources said they believed the dinghy had been launched from a ship that set sail from Sidon.

When the dinghy landed on the beach, Israeli military sources said, it was confronted by an Israeli Army patrol, and a battle ensued.

Israeli Army officials said that helicopters were ordered into the area to illuminate the site with flares.

Officials of the United Nations Interim Force in Lebanon, whose headquarters is located near the site of the attack, said that Israeli liaison officers warned them during the early stages of the attack to stay away from the area of combat.

"We didn't see anything," said a UN source in Nakoura. "We heard shooting, but we were not part of it."

Israeli military officials said that the Mediterranean coast has become Israel's only vulnerable front in the last several years.

■ Arafat Aide Leaves Jordan

A senior aide to Yasser Arafat, chairman of the Palestine Liberation Organization, left Jordan on Thursday, saying King Hussein's decision to expel him and to close his offices would mean increased military action in Israeli-held lands, The Associated Press reported from Amman.

Khalil Wazir, better known by his guerrilla name Abu Jihad, said he would drive to Iraq and then go to the PLO headquarters in Tunisia.

Mr. Arafat has called for a meeting of the PLO Executive Committee in Tunis to discuss Hussein's order Monday closing 25 offices run by el-Fatah, the mainstream PLO faction.

John Ricu/The Associated Press

Khalil al-Wazir, a top PLO official, and his wife, Intissar, Thursday before leaving Jordan under an expulsion order.

MITTERRAND: *Summit Hopes*

(Continued from Page 1)

and Moscow on the extent of allowable space-weapons research, he said: "Between research and deployment there are a whole lot of shades of meaning that could be worked out by diplomats."

Mr. Mitterrand said that Mr. Gorbachev's recent series of arms-control proposals was "quite sensational." He emphasized that the Soviet proposals to limit conventional armaments, including chemical weapons, "can be considered very interesting," and cited "progress in the area of conventional arms."

After more than 16 hours of meetings from Monday through Wednesday with Mr. Gorbachev, including several hours of private tête-a-têtes, Mr. Mitterrand said the Soviet leader struck him as "a man of our times" and "a modern man."

"He has a view of the world as it is," he added, "and he takes problems as they come. The stress on opening up is obviously constant."

Mr. Mitterrand, who caused a sensation during a visit to Moscow in June 1984 by bringing up the case of Andrei D. Sakharov, the dissident physicist who is in internal exile in Gorky, said that cases involving Soviet citizens seeking to emigrate also were brought up during this week's visit, but at a lower level.

In a meeting Wednesday with the Soviet foreign minister, Edvard A. Shevardnadze, the French minister for external relations, Jean-Bernard Raimond, requested the reunification of 20 families that have relatives in France and the Soviet Union, Mr. Mitterrand said.

He said that a list of 400 other Soviet citizens who wished to emigrate to the West would be given to Moscow and that it "should find a way to satisfy the French position on this."

Mr. Mitterrand said that his 1984 call for Mr. Sakharov's release "remains for us a topical issue." But, in a tone of conciliation, he said, "We don't want to create a hostile attitude for people who are responsible for taking a decision."

Munich Assassination Is Viewed as Part of Intimidation Campaign

By Warren Getler
International Herald Tribune

FRANKFURT — The assassination of a West German corporate executive this week by terrorists marks the continuation of a brutal war of intimidation aimed at unnerving the country's power elite.

The bomb blast Wednesday that killed Karl Heinz Beckurts, a Siemens AG board member, and his driver occurred just a few miles from the site where Ernst Zimmermann, a West German arms industry executive, was fatally shot in his home by a member of the leftist Red Army Faction in February 1985.

NEWS ANALYSIS

The Red Army Faction, a successor to the radical Baader-Meinhof guerrilla group that shook West Germany in the 1970s, has claimed responsibility for both the Zimmermann and Beckurts assassinations.

Police in Munich said Thursday that they had no firm leads about the the persons who detonated the 22-pound (10-kilogram) bomb that killed Mr. Beckurts and his chauffeur. A dragnet was set up in the area to search for a white Volkswagen minibus seen driving away from the site soon after the explosion, police said.

A seven-page statement at the scene of Wednesday's blast said that Mr. Beckurts had been killed because he was a representative of "Western Europe's biggest high-tech concern and the world's third-biggest atomic concern."

The Beckurts and Zimmermann murders, following a number of attacks against government and corporate officials since the mid-1970s, fit a pattern: Targets are carefully selected, the attacks are professionally executed, motives are couched in vague anti-imperialist slogans and those responsible escape.

Interior Ministry officials said Thursday that no arrests had been made in the Zimmermann murder. But the ministry has a clear idea of who among the Red Army Faction's estimated 30 hard-core members were behind the shooting. Mr. Zimmermann was the chairman of a major defense contractor, MTU Motoren und Turbinen GmbH.

The Interior Ministry was aware that both Mr. Zimmermann and Mr. Beckurts had been named as targets by the Red Army Faction. The police found a target list of corporate executives during a raid on a guerrilla cell in Frankfurt in July 1984.

Mr. Zimmermann and Mr. Beckurts, as well as scores of other possible targets, were warned by the Interior Ministry. The ministry, however, does not provide personal protection to the private sector, as it does to federal government officials, judges and other Bonn administrators.

Despite having taken costly and seemingly effective precautions, including supplying armor-plated cars to its top executives, Siemens this week lost one of its most dynamic managers in what appears to have been an attempt by the Red Army Faction to beat the establishment at all costs.

Interior Minister Friedrich Zimmermann had predicted in his annual report to the parliament in June that further attacks against corporate executives would occur and urged that Bonn push for legislation giving police wider power to combat domestic terrorism.

Government officials in Bonn said Thursday that they expected this week's assassination to spark calls for new legislation.

"The RAF is trying to destabilize order in West Germany," said Hans-Günter Kowalski, spokesman for the Interior Ministry in Bonn. "They're also trying to create a European-wide guerrilla campaign against 'imperialism' and will go to great extremes to create the impression of having ties to Italy's Red Brigades," and France's Direct Action, a leftist terrorist group.

French police suspect that Direct Action was behind a bombing Wednesday in Paris in which a police official was killed and 22 persons wounded.

Chancellor Helmut Kohl said recently that he was convinced that West German and other European terrorists were receiving training and weapons in the Middle East. As yet, the Interior Ministry has not found a direct link between European and Arab terrorist activities in recent attacks in West Germany.

WORLD BRIEFS

Indian Police Said to Fire on Rioters

NEW DELHI (Reuters) — Police opened fire Thursday on rioting crowds as Hindus and Moslems clashed in the western Indian city of Ahmadabad, the Press Trust of India news agency reported.

Although there was no immediate word on casualties from the shooting, 17 people were reported to have died in the rioting. The trouble began Wednesday when Moslems stoned Hindus who were escorting a huge idol of the god Jagannatha through the streets. More than 100 people have been injured.

There have been many Hindu-Moslem clashes in Ahmadabad. In January, 25 people died and 100 were injured in several days of rioting during a festival. The city was also the center of four months of conflicts between upper and lower caste Hindus that swept the state of Gujarat last year, leaving about 230 people dead.

62 Die in Typhoon in the Philippines

MANILA (AP) — A typhoon headed Thursday toward southern China after cutting a swath of destruction across the Philippines' most populous island of Luzon, leaving at least 62 people dead and seven missing, officials said.

Hardest hit were Benguet and Mountain provinces, 125 miles (200 kilometers) north of Manila, where at least 29 people died, officials said. Roads leading to the two provinces were blocked by debris and power was cut, said Dolores Manio, spokeswoman for the Philippine Office of Civil Defense.

More than 15 inches (38 centimeters) of rain fell Wednesday and 25 inches Thursday in the resort city of Baguio, according to Nathaniel Cruz of the Philippine Weather Service. The authorities moved more than 200,000 residents in northern Luzon island into schools, churches and houses on high ground, the Philippine National Red Cross said.

Head of Florida Space Center Resigns

AP

Richard G. Smith

CAPE CANAVERAL, Florida (AP) — Richard G. Smith, director of the Kennedy Space Center and one of the officials who approved the launch of the space shuttle Challenger, announced Thursday that he would retire at the end of this month.

He is the second director of a National Aeronautics and Space Administration center to leave the agency since the accident. William R. Lucas last month announced his retirement as head of the Marshall Space Flight Center in Huntsville, Alabama. Marshall engineers supervised management of the shuttle's solid-fuel rockets, one of which was blamed for the Challenger explosion.

Mr. Smith, 57, has been director of the Kennedy center since 1979. He said he had accepted a job as president and chief executive officer of General Space Corp. in Pittsburgh. The company is seeking government approval to provide private funding to build a replacement shuttle for Challenger.

French Panel Approves Disney Park

PARIS (AP) — The regional council for the Paris area voted Thursday to approve plans for a Disneyland amusement park east of the city.

The council for the Ile de France region voted 112-20 to authorize Michel Giraud, president of the council, to sign a contract with Walt Disney Co. allowing the park, dubbed EuroDisneyland, to be built at Marne-la-Vallée. Prime Minister Jacques Chirac has said he hopes to sign the final contracts soon for the 10.6-billion-franc ($1.5-billion) park.

Only members of the Communist Party voted to oppose the park, staging a protest that temporarily interrupted the meeting. "Will the future of the Paris region be in building imported amusement parks or in the development of local industries?" asked one Communist official. Council members belonging to the Socialist Party abstained.

U.S. Court Won't Rule on AIDS Issue

NEW YORK (Reuters) — A U.S. court has decided it cannot make a ruling in a dispute over who should receive credit for discovering the virus that causes AIDS.

Judge James Merow of the U.S. Claims Court in New York, in a written judgment, dismissed a suit brought by the Pasteur Institute of Paris against the U.S. government and the National Cancer Institute, a research body.

At stake in the case was credit for the discovery and lucrative royalties to be earned from commercial testing. The Pasteur Institute argued that Dr. Luc Montagnier, its chief cancer researcher, discovered the virus in 1983, a year before Dr. Robert Gallo of the National Cancer Institute announced his isolation of the virus.

Reagan to Lead Anti-Drug Campaign

WASHINGTON (WP) — President Ronald Reagan will campaign personally against drug abuse in the next few months, according to White House officials. The officials said the president was motivated in part by the death of Len Bias, a University of Maryland basketball star, after using cocaine and by reports of growing drug use in the United States.

Mr. Reagan's campaign also may be accompanied by new policy initiatives from the administration, including a proposal to expand the use of drug testing, the officials said Wednesday.

Picking up an issue that has been championed by his wife, Nancy, Mr. Reagan intends to deliver a series of speeches and make public appearances to warn of the dangers of drug abuse and to "raise public consciousness" about the problem, the officials said.

For the Record

The Netherlands officially requested Thursday that the military government of its former colony, Suriname, recall Marciano Jessurun, the secretary of its mission at The Hague, within a week. Suriname has expelled a Dutch diplomat, Erik Klip. *(Reuters)*

A total of 55 Soviet Jews emigrated to the West in June, the second lowest monthly figure this year, the Intergovernmental Committee for Migration said Thursday in Geneva. *(Reuters)*

Sir Edward Youde, the governor of Hong Kong, left Thursday for San Francisco on the first leg of a 13-day tour of the United States and Canada to encourage investment and campaign against protectionist trade policies. *(UPI)*

GENIUS: *Back to Real World*

(Continued from Page 1)

spent two decades studying the effect on children of poverty and wealth and of social and political upheavals.

Although he won a Pulitzer Prize in 1973 for "Children in Crisis," a five-volume work, Dr. Coles had already started another ambitious project, examining how children get their political convictions.

Of necessity, the research was crowded into the summers, when he was not teaching at Harvard University, and the summertime trips abroad to South Africa and Northern Ireland were expensive and rushed.

"I felt after climbing a long hill, I had reached a plateau," said Dr. Coles. "I figured it would take me years and years and that I would be 64 or 65 when I finished."

The $248,000 grant allowed him to take up his Harvard knapsack crammed with tape recorders, crayons and drawing pads, and resume his research, traveling to Poland, Southeast Asia, Nicaragua, Brazil and French-speaking Canada, talking to youngsters.

Out of these experiences have come two books, "The Moral Life of Children" and "The Political Life of Children." He also turned out numerous articles and completed two biographies about Simone Weil, the French philospher, and Dorothy Day, the social radical and co-founder of the Catholic Worker movement.

When asked about the MacArthur benefits, Elma Lewis, founder of the National Center of Afro-American Artists in Boston, answered promptly, "It restored my health and will give me more working years."

The foundation's awards provide recipients with comprehensive insurance to pay for medical expenses, which in the United States are often borne by the individual requiring treatment. Miss Lewis, 64, had the advanced laser surgery needed to restore her sight, damaged by diabetes, and a knee operation.

She now gets around well enough to walk through the Museum of the National Center near her home in the Roxbury area, proudly pointing to the exhibit halls in the neo-Gothic stone mansion that provide a showcase for black artists.

Another MacArthur Fellow, Ian Graham, a specialist in Mayan inscriptions, has vivid recollections of emerging from the jungles of Guatemala in search of a dentist to treat a toothache and learning that the Voice of America had announced he was a prize winner.

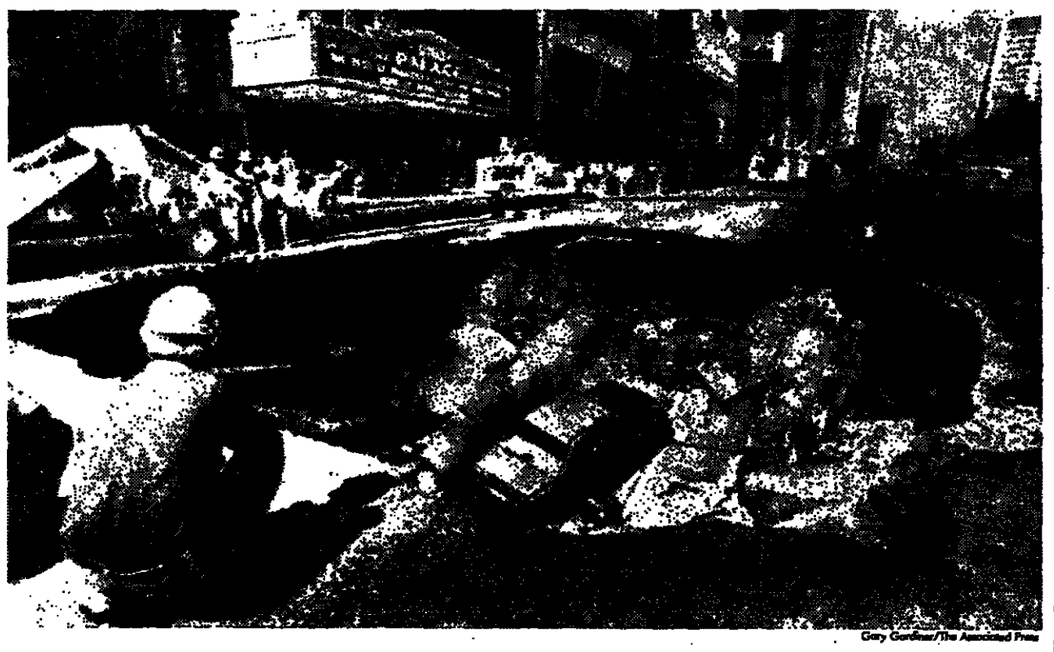
The award has made little change in his life, said the 62-year-old British-born archaeologist, who is an assistant curator of Mayan hieroglyphics at Harvard's Peabody Museum.

"I haven't used very much of the money but stashed it away for security knowing I can keep working in spite of government money drying up," he said.

Winning a MacArthur fellowship can have its down side, said Joseph Brodsky, a poet born in the Soviet Union.

"I am aware it made several enemies for me," he said. But he added, "Maybe that term is too strong, but it did stir envy among professional colleagues."

Mr. Brodsky, who once served 18 months at hard labor on a Soviet labor farm on charges of being a "poet-parasite," came to the United States in 1972.



Gary Gardiner/The Associated Press

ONE-WAY STREET: DOWN — Workmen tried to figure out the best way to remove a car and fill in a gaping hole following a cave-in on a main thoroughfare in downtown Columbus, Ohio. The driver of the vehicle was not injured.

LE DUAN: *Leader Dies at 78*

(Continued from Page 1)

Indochina War against France, and all are in their 70s.

The party congress had originally been scheduled for spring, then November, and most recently December has been mentioned. What changes it will bring are difficult to predict, several experts said.

Mr. Duan and his principal leadership colleagues showed a greater aptitude for war than for the problems of peace. Severe economic problems overtook Vietnam in the years after 1975, including a serious fall in rice production and distribution, according to analysts of the area.

As general secretary of the party, Mr. Duan seemed to have been a leader of a recent move to use economic incentives to encourage greater productivity, a step that had some success but that has fallen far short of the kind of market tools used in China and some other Communist nations.

The general secretary also participated in the decision to invade Cambodia and to displace the Khmer Rouge government of Pol Pot with a more compliant regime.

"He shared with the other members of the Politburo a rather martial outlook, a tendency to attack problems with the application of violent force," said Douglas Pike, the author of many works on Vietnamese Communism and director of the Indochina Studies Program at the University of California.

In the labyrinth of Communist Party politics and bureaucracy, Mr. Duan had a reputation for subtle maneuver in *bung di*, the Vietnamese slang phrase loosely translated as faction fighting.

Like his mentor Ho, Mr. Duan attempted to "stay above the dust of faction fighting," Mr. Pike said, intervening only at critical junctures.

AP

Le Duan

POLES: *Late for Party*

(Continued from Page 1)

a windless calm and days of sitting.

So was the whole thing a wash? Not exactly. The entrance to New York Harbor was magnificent.

"The sun was so big over Brooklyn, and we saw the statue," said a crewman, Tomasz Mastowski.

In calling the police, the crew members did something smarter than they could have imagined. The Pulaski Association, a group of Polish-American officers, heard of the travails and resolved to help.

There was lunch Wednesday at a restaurant owned by a Polish-American. Then the president of the Pulaski Association, Joseph A. Mottle, invited all the sailors to his home for dinner.

David L. Wolper, producer of Liberty Weekend, said at a news conference at City Hall: "Maybe we have a firework or two left over" to set off for the crew.

SHIP: *Court Sentences Hijackers*

(Continued from Page 1)

tion as the ship was off the coast of Syria. The hijackers had hoped to use the ship's 440 passengers and crewmen as hostages in exchange for 50 Palestinians being held by Israel.

In prison, Mr. Molqi confessed to having shot Mr. Klinghoffer and then having ordered his body and wheelchair to be thrown overboard. In the trial, however, he denied having shot Mr. Klinghoffer or having confessed to it.

According to Gianfranco Pagano, one of the hijackers' defense lawyers, Mr. Molqi and his fellow hijackers were not given life sentences, which is the maximum sentence under Italian law, because of extenuating circumstances and because the jury had found they were only instruments of Abu Abbas' planning.

Mr. Pagano pointed out that the court had found the hijackers guilty of hijacking and "kidnapping for terrorist ends that resulted in the death of a person," not outright murder.

Bangladesh Parliament Reopens Amid Boycott

United Press International

DHAKA, Bangladesh — President Hussain Mohammed Ershad opened the first session of Bangladesh's Parliament since 1981 on Thursday, but opposition lawmakers boycotted the session and clashes between policemen and protesters marching on the legislature left at least 60 people injured.

More than 90 opposition members blocked the main entrance to the building, never before used by an elected assembly, disrupting Mr. Ershad's ceremonial arrival and holding their own mock parliamentary session on the steps outside.

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U.S. Pornography Panel Urges Citizen Pressure To Combat Distribution

By Robert Pear
New York Times Service

WASHINGTON — A federal commission has delivered a report calling for a national assault on the pornography industry through a combination of more vigorous law enforcement and increased vigilance by citizens' groups.

The report Wednesday by the Attorney General's Commission on Pornography said citizens should band together to file complaints, put pressure on prosecutors, monitor judges and, if necessary, boycott merchants selling pornographic material.

Reaction to the report ranged from condemnation to commendation, with some saying its recommendations would protect society and others contending they would erode freedom of speech.

As previously reported, the panel concluded that there was a "causal relationship" between certain kinds of pornography and acts of sexual violence.

Disputes among the 11 members of the commission on the linkage between such materials and criminal acts led to months of turmoil.

Attorney General Edwin Meese 3d, in accepting the panel's final report Wednesday from its chairman, Henry E. Hudson, the U.S. attorney for the Eastern District of Virginia, said the report would not be used as a basis for censorship.

Mr. Meese said he had not read the 1,960-page report and could not comment on its recommendations. But he added:

"I am not concerned about any censorship being fostered by this document. This department, as long as I am attorney general, is not going to engage in any censorship that violates the First Amendment."

The commission rejected proposals to broaden the legal definition of obscenity, which embraces some but not all pornographic material, and said current laws were basically adequate but woefully underenforced" by federal, state and local prosecutors.

The Supreme Court has said that obscene material is unprotected by the First Amendment," and that judges can apply "contemporary community standards" to determine what is obscene. Many laws at various levels regulate or prohibit obscene material.

Not all pornography would be found obscene in a judicial proceeding, the commission noted. In its report, the commission used the word "pornography" to mean material that was "sexually explicit and intended primarily for the purpose of sexual arousal."

The panel called for much more vigorous enforcement of laws against obscene materials. It also said sexually explicit material portraying the violent abuse of women often led to "anti-social acts of sexual violence," sometimes including sex crimes.

Intensified enforcement should focus on child pornography and material showing sexual violence, the panel said. It also recommended that the "knowing possession of child pornography" should be made a felony under state law. It said a second or subsequent violation of obscenity laws should be a felony punishable by at least one year in prison.

The commission said information on child pornography should be compiled in a "national data base." In addition, it said federal, state and local prosecutors and the Federal Communications Commission should crack down on obscene cable and satellite television programs.

The panel said "extraordinary caution" must be exercised in prosecuting purveyors of materials composed entirely of printed words, with no photographs, pictures or drawings.

"The written word," it said, "has had and continues to have a special place in this and any other civilization.

The panel acknowledged that its conclusions were diametrically opposed to those of a presidential commission in 1970 that said erotic material was not a significant cause of crime, delinquency, sexual deviancy or emotional disturbances. Times have changed, the problem of pornography has grown much worse and the conclusions of the earlier report are "starkly obsolete," the new panel said.

The findings of the Reagan administration panel were based on public hearings in six cities, a review of published articles relating to pornography, the work of staff investigators and the views expressed in more than 3,000 letters from the public.

The panel was established in February 1985 by William French Smith, who was then attorney general, and it had a budget of $500,000.

After extensive study, the commission concluded that "there is a connection between the pornography industry and organized crime."

A Senatorial Undercover Job

Senator Alfonse M. D'Amato reaching from a car, above, to purchase cocaine from an unidentified man in Manhattan. Later, Mr. D'Amato, far right, a New York Republican, and U.S. Attorney Rudolph Giuliani wore their undercover outfits as they announced that neither of them had any trouble buying two vials of "crack," a cheap, concentrated form of cocaine. The officials organized the undercover operation, which was recorded by drug agents and news organizations, to highlight what they called an epidemic of crack dealing in neighborhood streets.

Richard Drew/The Associated Press

U.S., Citing Criticism of Policy, Suspends Aid to Zimbabwe

By Bernard Gwertzman
New York Times Service

WASHINGTON — The Reagan administration has suspended disbursement of economic aid to Zimbabwe in response to sharp criticism leveled by a top Zimbabwean official during the Fourth of July reception at the U.S. Embassy, State Department officials said.

The criticism of the United States by David Karimanzira, the Zimbabwean minister of youth, sport and culture, prompted former President Jimmy Carter and the senior American diplomat to walk out of their own embassy.

As a result of what the department described Wednesday as "the uncalled-for behavior" of Mr. Karimanzira, the administration decided not to turn over the remaining $13.5 million in economic aid for this fiscal year, pending an overall review of relations, officials said.

Agreements on two aid projects that were to be signed Wednesday in Harare, the Zimbabwean capital, were postponed, officials said.

The administration had asked Congress for about $21 million for Zimbabwe in the 1987 fiscal year, and that may be sharply cut back, officials said.

This marks the latest in a series of incidents that have severely strained relations between the United States and Zimbabwe.

In 1983, the United States, angered over Zimbabwe's refusal to vote in the United Nations Security Council to condemn the Soviet Union for shooting down a South Korean airliner and its condemnation of the U.S. invasion of Grenada, cut aid to Zimbabwe from $75 million to $40 million.

The United States ambassador to Zimbabwe, David C. Miller Jr., resigned in April in response to the deterioration in relations, and no replacement has yet been named.

The latest problem arose on Independence Day, when Mr. Carter was an honored guest at the embassy reception. Mr. Carter, whose administration played an active role in producing the formula that led to the transition to majority rule in Zimbabwe in 1980, has long been sympathetic to that nation.

But during the reception, Mr. Karimanzira delivered a bitter 25-minute speech on behalf of Foreign Minister Witness Mangwende, attacking Washington for rejecting severe economic sanctions against South Africa while imposing them on Nicaragua, Poland and Libya.

He also accused the United States of bombing civilian targets in Libya in the name of fighting state terrorism, while not doing anything about the same type of terrorism practiced in South Africa.

Bernard Kalb, the U.S. State Department spokesman, charged Mr. Karimanzira on Wednesday with "uncalled-for behavior."

"This is seen by the United States as an insult both to the United States and to former President Jimmy Carter," Mr. Kalb said. "The United States has asked for an explanation, has asked for an apology. This type of behavior by Zimbabwean leaders has led to a further review of U.S. aid efforts and overall cooperation in that country."

Since Zimbabwe's independence, the United States has been the largest donor of aid to Zimbabwe, giving about $370 million.

Panel Cites AIDS Risk in Transfusions

By Sally Squires
Washington Post Service

WASHINGTON — People facing surgery should donate blood for their own use wherever possible to cut their risk of developing AIDS, a committee of the National Institutes of Health has advised.

In addition, the panel called Wednesday for better education for all blood donors and continued research to develop improved blood-screening tests. It said a tiny but significant number of contaminated blood samples are going undetected in the nation's supply.

Because many people from the high-risk groups for infection with acquired immune deficiency syndrome continue to give blood, the panel also proposed a confidential "check-off" form that would allow them to give blood, but also to indicate discreetly that it should be discarded because it might be contaminated.

These and other recommendations to improve the safety of the U.S. blood supply emerged from a three-day conference held at the National Institutes of Health, a U.S. government body, to assess the public health impact of screening blood for a virus that causes AIDS.

The precise number of contaminated samples in the blood supply is not known. But studies presented at the conference show that tests fail to detect one in 100,000 contaminated blood donors in the earliest months of infection. The tests fail because these people have not yet developed blood proteins called antibodies, which would be detected by the exams.

As a result, contaminated blood from about 80 to 120 donors of about eight million donors is in the blood supply, said Dr. Lincoln Moses, a Stanford University statistician and panel member.

Pints (about half a liter) of blood are divided between two or three recipients, meaning that about 160 to 360 people receive the contaminated blood in a year.

But the risk of developing AIDS from a blood transfusion is about "one in 10,000," far less than the "risk of dying from complications of anesthesia," said Dr. Richard Aster, president of the Blood Center of Southwestern Wisconsin and a panel member.

The fact that a person has been exposed to the virus "is not synonymous with having AIDS," the panel said.

But "by current estimate as many as 35 percent of people with positive tests will go on to develop AIDS within six to eight years."

All people with positive tests for antibodies "should seek information and advice on how to protect their sexual contacts and future children from infection," the panel advised.

Notification also is necessary for the 20,000 to 25,000 Americans who have had one or more "questionable" positive screening tests for the virus, but whose blood has not shown evidence of the viral infection in a second, more specific confirmatory test.

These people are unaware that their names appear on special lists.

As the panel noted, it "is common practice to allow such individuals to donate again, but to discard their blood without their knowledge. This practice should not continue; these donors have a right to be advised of their status."

Chilean Police Disperse Mourners for Slain Youth

The Associated Press

SANTIAGO — Riot policemen fired tear gas and water cannon to disperse about 2,000 mourners marching behind the casket of a teen-ager fatally burned during an anti-government demonstration last week.

Witnesses said the victim, a Chilean-born free-lance photographer visiting from the United States, and a woman companion had been set on fire after being halted by an army patrol.

The mourners, after being scattered during the funeral procession Wednesday, regrouped in the General Cemetery to bury Rodrigo Rojas de Negri, 19. They shouted slogans against the government of President Augusto Pinochet.

The dispersal of the mourners was witnessed by the U.S. ambassador, Harry G. Barnes Jr., and four European diplomats, who were watching from a building nearby as the mourners gathered for a Mass.

They saw the police use water cannon and tear gas to keep the crowd from marching to the cemetery, 40 blocks away. After three charges by policemen over a distance of eight blocks, the cortege consisted of only a few vehicles.

Several marchers threw paving stones at policemen, and someone painted "murderers" on the back of a police vehicle.

Policemen clashed with mourners again as they left the cemetery. Some demonstrators threw rocks into a Pinochet family mausoleum, breaking a glass vase.

Maximo Pacheeon, vice president of the Human Rights Commission, said of the killing: "Few times in Chile has there been a crime so cruel. A culture of death is being imposed on us. If this crime is covered up or denied, it will lead to a spiral of violence and more crimes."

Mr. Rojas returned to Chile last month, a decade after he moved to exile in Washington, D.C., area with his mother, Veronica de Negri, a supporter of the leftist government of President Salvador Allende that was overthrown in 1973.

Witnesses said soldiers seized Mr. Rojas and an 18-year-old woman July 2 during a general strike and set them afire. Mr. Rojas died Sunday of burns over two-thirds of his body. The woman is in grave condition.

The government human rights panel said it would cooperate in an inquiry by a special prosecutor, Judge Alberto Echavarria, appointed at the request of the Interior Ministry.

Mr. Rojas' mother, who with U.S. help was granted special permission to return for the funeral, stressed Wednesday that soldiers had killed her son.

"I want it made clear they were soldiers," she said. "They were soldiers, that is the most important thing. They were soldiers."

■ U.S. Sees Inquiry as a Test

The U.S. State Department said Thursday that an inquiry into the death of Mr. Rojas would be regarded as a test of the Chilean government's intention to improve its human rights record, Reuters reported from Washington.

The State Department spokesman, Bernard Kalb, said the United States expected a thorough investigation.

"If there is evidence of criminal wrongdoing, we expect to see prosecutions and convictions," Mr. Kalb said.

Managua Getting New Soviet Copters, Diplomats Say

By Stephen Kinzer
New York Times Service

MANAGUA — The Nicaraguan Air Force has tripled its stock of Soviet-made transport helicopters over the last two months, according to diplomats and military specialists here.

Diplomats said this week that the Sandinists had unloaded as many as 15 new Mi-17 helicopters at the ports of Corinto and Bluefields since the beginning of May. Before the shipments, the air force is thought to have seven or eight of them.

The flow of helicopters into Nicaragua was said to reflect the government's belief that its war against U.S.-backed rebels will intensify. The House of Representatives voted last month to approve $100 million in aid to rebel groups.

Rebel leaders have described helicopters as the most potent weapon the Sandinists have. To defend themselves, the rebels are pressing the United States to supply them with portable anti-aircraft weapons.

Officials in Washington agree that such arms are essential to counter increasing Sandinist air power, diplomats said. Discussions were under way, they said, to determine which type of anti-aircraft weapons to send to the rebels, who are known as "contras."

A Nicaraguan government spokesman, Manuel Espinoza, said Wednesday that he had no information on reports of the arrival of new helicopters. "We have a right to defend ourselves in the manner we see fit," Mr. Espinoza said.

A diplomat who closely watches the Sandinist military said the shipments appeared to be continuing. He estimated that as many as 10 more helicopters might arrive in Nicaragua shortly.

Last month, President Ronald Reagan drew attention to the arrival of a Soviet freighter at Corinto, Nicaragua's principal port. He said it contained military supplies, although he gave no details.

According to recent Western intelligence reports, the cargo on that ship included two or three Mi-17 helicopters.

"The Mi-17 is like a flying truck, as opposed to the Mi-24, which is much more sophisticated and is kind of a flying tank," one ambassador said. "It gives them mobility and the ability to move men or supplies quickly when they have to. Obviously, they have found that the Mi-17 is going to be the workhorse of this war."

The current shipments represent the second consignment of helicopters the Russians have sent to Nicaragua. The first arrived in late 1984 and early 1985.

Over the last year, both sides in the conflict have acknowledged that helicopters have been a key to Sandinist military successes.

The Mi-24 assault helicopters, of which the air force is believed to have six to 12, have inflicted heavy casualties on rebel units moving in open terrain. The Mi-17 transport helicopters have enabled the army to evacuate wounded soldiers, carry ammunition and other supplies to remote outposts and move combat units quickly to confront insurgents whenever they are sighted.

"In terms of hardware, the helicopters are the most important single weapon the Sandinists have," a European diplomat said. "With the new ones that are arriving now, the 'contras' will never be able to operate effectively unless they get antiaircraft guns."

The Mi-17 is an advanced version of the Mi-8, the standard Soviet military transport helicopter. It is equipped with air-to-ground rockets, and some models carry machine guns placed in the nose. It can carry 32 persons and cruise at speeds up to 155 mph (250 kph).

A Latin American military officer in Managua said the helicopters "are an essential part of the Sandinist battle plan."

"Both superpowers seem to be stepping up their military aid at the same time," the officer said.

Unlike the advanced Mi-24 helicopters, the transport models do not require pilots with a high degree of proficiency in combat flying. Many of the pilots who fly them are believed to be Nicaraguan, although diplomats said that pilots from Cuba and other foreign countries also fly some missions.

At least one Sandinist transport helicopter has been shot down by rebels, according to diplomats. It is thought that others may have been involved in accidents.

'Contra' Indians Reportedly Raiding Honduran Refugee Zone for Recruits

New York Times Service

MOCORON, Honduras — Nicaraguan Indian guerrillas who oppose the Sandinist government with U.S. financial support have kidnapped at least 27 persons in refugee camps near Mocoron in the last six weeks, according to witnesses who have lost relatives and friends.

The abductions appear to have been carried out to punish critics of the guerrillas and also to forcibly recruit new rebels. The seizures, accompanied by threats of death against other villagers, have spread fear and uncertainty among the 17,500 Indian refugees from Nicaragua living around Mocoron.

There are signs that with $100 million in aid approved last month by the U.S. Congress, guerrilla recruiting will rise sharply in the coastal region of northeastern Honduras.

The forced detentions appear to violate not only the status of the Indians as refugees under the protection of the United Nations High Commissioner for Refugees, but also assurances by President Ronald Reagan to Congress that such abuses by guerrillas backed by Washington would stop.

Frank Arana, a spokesman of the main "contra" group, the Nicaraguan Democratic Force, said he was aware of the reports of kidnappings, but he denied that they were approved by rebel officials.

Parliament Approves '86 EC Budget

The Associated Press

STRASBOURG, France — The European Parliament gave final approval Thursday to a 1986 European Community budget, ending uncertainty over meeting the EC's spending needs for the rest of the year.

The assembly, in one of its final acts before beginning its summer recess, voted, 355-27, with 21 abstentions to adopt a budget of 35.2 billion European Currency Units ($34.5 billion). The 518-member parliament has little power except over budgetary matters.

The budget that the EC had been operating on since the start of the year was declared illegal July 3 by the European Court of Justice, forcing a series of emergency negotiations on a new spending plan.

The court had ruled that Parliament exceeded its powers by adopting the original budget in December without the agreement of the EC's Council of Ministers.

In negotiations following the court ruling, both sides moved with unusual speed to avert a potentially crippling budget crisis. In the plenary session of the Parliament on Thursday, the only opposition to the final budget came from British Labor deputies, but their motion to reject the spending plan was defeated by an 11-1 margin.

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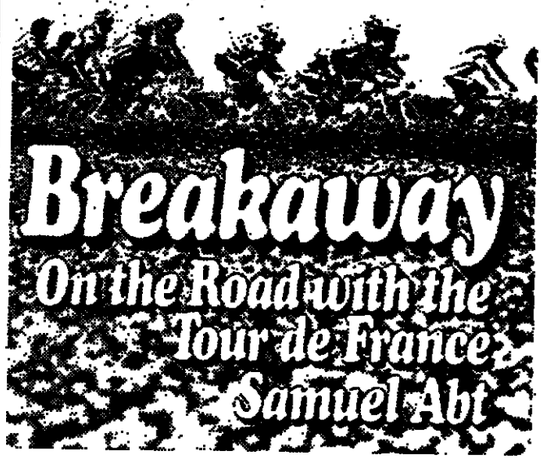

An illustrated look at the world's most famous bicycle race.
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Austria Looks to Bury Controversy Over Waldheim

By James M. Markham
New York Times Service

VIENNA — Acknowledging that long-term damage has been done to the country's image abroad, the main political actors of Austria have signaled a willingness to bury the controversy over President Kurt Waldheim's war record and moral character.

At his inauguration Tuesday, Mr. Waldheim concluded an address to Parliament with an appeal for "reconciliation and renewed cooperation," a message intended to go beyond his supporters in the opposition People's Party to the benches of the governing Socialists.

And, although a scattering of Socialist legislators showed their displeasure by wearing black neckties and not applauding the new head of state, Sepp Wille, the party's whip, said the former United Nations secretary-general was now "president of all Austrians."

The first step toward defusing the most embittering confrontation in Austria's postwar history was taken the day after Mr. Waldheim was elected June 8, when Chancellor Fred Sinowatz resigned. Mr. Sinowatz was largely responding to the political rebuke suffered by the Socialists in the presidential contest, but as chancellor he had been closely identified with the attacks on Mr. Waldheim.

NEWS ANALYSIS

The "Sinowatz wing" is also strongly opposed to entering a grand coalition with the conservative People's Party should the Socialists be unable to reassemble their coalition with the small Freedom Party after elections expected next spring. In naming Franz Vranitzky as chancellor, the Socialists picked a technocrat who could be the junior partner in a grand coalition should the People's Party emerge as the biggest winners next year.

Presenting his government's program, Mr. Vranitzky, 48, a former banker, called for "a common way in the essential questions facing this country."

Mr. Vranitzky indicated Wednesday his distaste for the polemical tone of the Waldheim debate, saying that "the rhetoric of elections is one that one does not use in normal times."

The chancellor said the Waldheim controversy had harmed Austria by giving the outside world what he said was the false impression that anti-Semitic feelings stirred during the campaign were somehow representative of the nation.

"One could take the standpoint that it was a good thing that there were themes that were finally discussed," he said. "I am not of this view."

Mr. Vranitzky's first protocol dealings with the new president suggest that their relationship will be marked by correctness, not warmth. The Socialists' new foreign minister, Peter Jankowitsch, is a professional diplomat with extremely strained ties to Mr. Waldheim. The minister is said to have urged his ambassadors to start selling Austria, but not Mr. Waldheim.

"There can be no selling of Waldheim," said a senior government official, who said that ordinary Austrians were only beginning to grasp the depth of sentiment against the new president in the United States and Western Europe.

Austrians have been comforted by President Ronald Reagan's recent assertion that the evidence pointing to Mr. Waldheim's implication in Nazi war crimes was "inconclusive." Last week, Mr. Reagan told the newspaper USA Today that "we should hold our fire" against the new Austrian head of state, a posture that Austrians hope will be adopted in Western Europe, too.

Yet privately top Austrian officials concede that it will be a long time before any West European government extends an invitation to Mr. Waldheim to visit, a snubbing that will presumably be painful for a man who is known to have savored the protocol attention lavished on him in his UN post.

Aside from Austria's tiny Jewish population, one group that seems determined to resist the political moves toward national reconciliation is a coalition of writers, artists and actors who have banded together under the name New Austria.

"They have decided to become the conscience of the nation," said Hans Rauscher, an editor at the Vienna newspaper Kurier. "They are fairly determined that the intellectuals and artists will not be against Waldheim as such, but against what he embodies."

The New Austria intellectuals managed to stage their most resonant, and witty, demonstrations just as Mr. Waldheim was being sworn in to his mainly ceremonial post. Many have been going through a slow-motion process of disengaging themselves from the Socialist Party.

"We are going to say, 'Waldheim is Austria's president, but he is not our president,' " said Freda Meissner-Blau, the standard-bearer of the emergent environmentalist movement. She won an impressive 5.5 percent of the popular vote in the first round of the presidential election May 4.

The Austrian intellectuals are operating in a difficult environment — with the big political parties reaching a truce on the Waldheim case and with a conservative press that is prone to ignore anti-Waldheim sentiments anywhere. "We are dependent on what is happening abroad," she said, "and especially what is happening in the United States."

EUROPEAN TOPICS

Nuclear Plant Tries To Clean Up Its Act

SELLAFIELD, England — In an attempt to decontaminate its public image, the Sellafield nuclear power station mailed eight million cards last week inviting tourists to visit. The station also started a £2-million ($3-million) advertising campaign showing the picturesque lakes and villages nearby.

Sellafield, the world's largest nuclear reprocessing plant, was described in February by a House of Commons committee as "a by-word for the dirty end" of the nuclear industry, and as having the world's largest recorded source of radioactive discharge.

Days Are Numbered For 'Costa del Crime'

MADRID — Until an extradition treaty between Britain and Spain took effect last week, British fugitives had been living openly in Spain for years. Now Spain plans a crackdown. Although the treaty is not retroactive, some exiles already have fled.

The British fugitives, many of whom live in luxury on the Costa del Sol, called the "Costa del Crime" in the British press, usually make day trips to Portugal or Morocco every three months to have their passports stamped. Under a recent aliens law, the fugitives now face the choice of either applying for residence and being expelled as undesirables, or risking arrest and extradition when they try to re-enter Spain.

France Jails Arab On Arms Charges

Reuters

LYON, France — A French court on Thursday sentenced a suspected Arab guerrilla leader, Georges Ibrahim Abdallah, to four years in prison on weapons charges.

Mr. Abdallah, 35, also known as Abdel-Kader Saadi, was tried under heavy security on charges of illegal possession of arms, explosives and false identity papers.

He was arrested in October 1984 and faces separate charges of involvement in the 1982 murders of two diplomats — an American and an Israeli — and other guerrilla actions. The actions were claimed by a group of Maronite Christian Marxists known as the Lebanese Armed Revolutionary Faction.

SNIFFING VICTORY — A contestant in the World Snuff Championships at Pfaffenhofen, West Germany, stuck his nose in the air to prevent his snuff from falling and being counted against him. The object of the contest was to sniff as much snuff as possible in one minute.

French Determine What's in a Name

PARIS — In a compromise aimed at satisfying feminists while not upsetting traditionalists, a French law took effect this month permitting people to add a second family name to their own. The additional name can be used on official papers such as passports, but cannot be transmitted to offspring. Only the family name registered at birth, usually the father's, will have full legal status.

Thus an unmarried woman whose father's name is Dupont and mother's name is Martin can call herself Dupont-Martin or Martin-Dupont. If she marries, she will retain her father's name but must drop her mother's. She may take her husband's name but is not obliged to. The husband may choose to keep both his parents' names, and add that of his wife. The adoption of an additional name is optional.

Around Europe

ROME — Muscovites will soon be able to eat Italian fast-food meals such as pizzas and tortellini, the Italian press reports. Ital New Food Trading Co. of Rome recently concluded an 18-month contract worth an estimated 12 billion lire ($8 million) with the municipality of Moscow to design and equip 36 restaurants, each with a seating capacity of 250 people and providing 5,000 meals a day. The company also will train Russian restaurant personnel. The first restaurant, a few steps away from the Kremlin, is scheduled to open in October.

STUTTGART, West Germany — Gerhard Mayer-Vorfelder, the Christian Democratic education minister of Baden Württemberg state, caused an uproar last week by ordering that all schoolchildren be taught all three stanzas of the national anthem, "Deutschland Uber Alles," even though the first two have fallen into discredit since World War II. Members of the minority Social Democratic and Greens parties objected about requiring children to memorize the first stanzas glorifying a Germany stretching "from the Meuse River to Memel" or from Belgium to Lithuania. The third stanza mentions only unity, justice and freedom.

ATHENS — A group of prominent Greek intellectuals, calling itself the "Action Group for a Free Radio and Television," was charged with radio piracy last week for going on the air with a private radio station. Seventeen persons face up to five years in prison, the Times of London reports. The station, Channel 15, broadcast for more than an hour before the authorities managed to switch it off and confiscate the equipment.

CARRARA, Italy — Fifteen city councillors have been sued by the neo-fascist Italian Social Movement and the Monarchists because they have approved construction of a monument to an anarchist, Gaetano Bresci, who assassinated King Umberto I in 1900. The councillors, who range from Communist to Christian Democrat, were accused of "public instigation to a crime against a head of state." Proponents of the monument note that the anarchist movement has deep roots in Carrara. They say that the monument would symbolize revolt against tyranny, rather than homage to violence.

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(Continued from Back Page)

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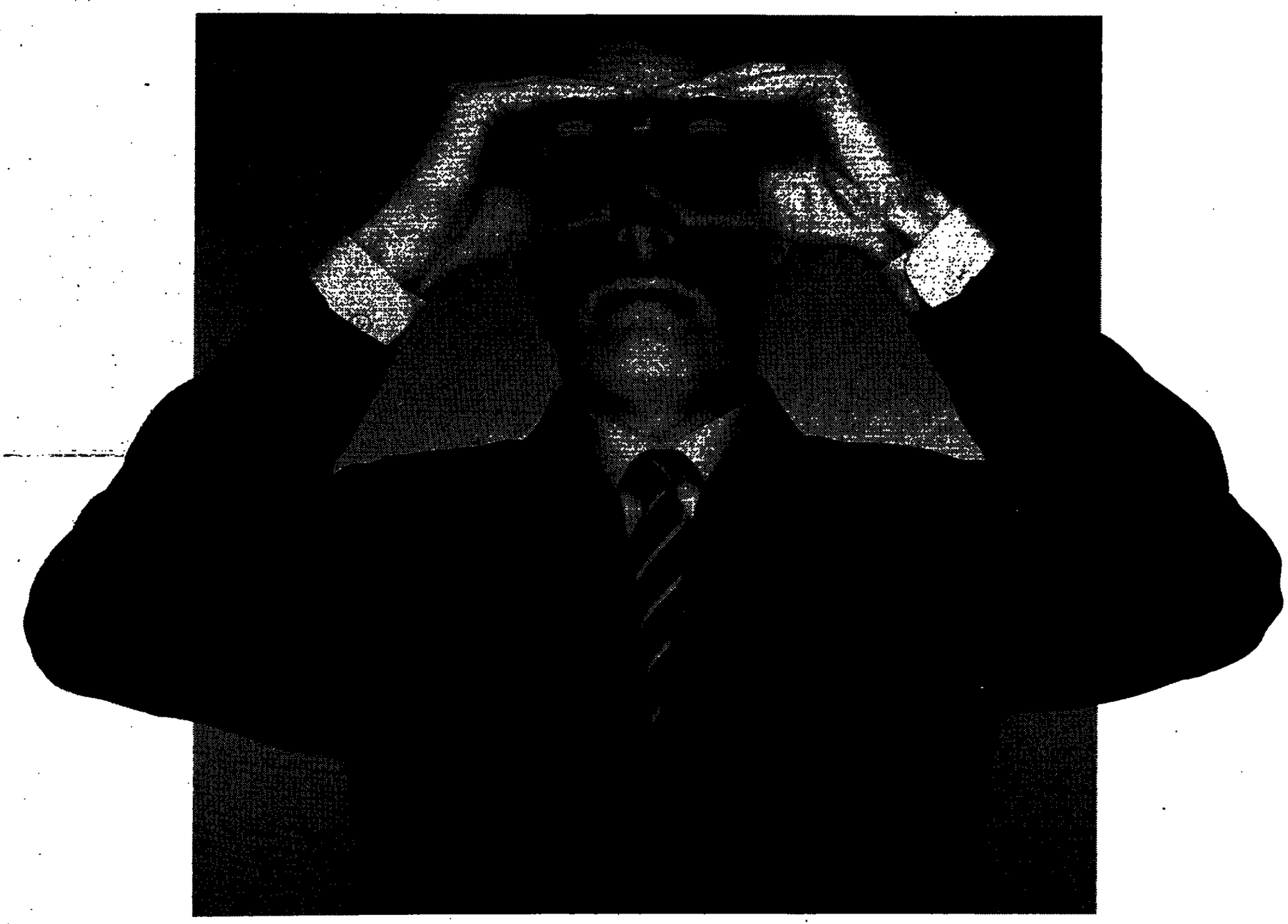

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A Positive Step by Syria

Uniformed Syrian soldiers returned to the streets of West Beirut last Friday for the first time since they were forced to leave by the Israeli army in 1982. They are manning roadblocks with Lebanese security forces and have taken up positions at the airport. Their return is a major development with implications not only for Lebanon but for the Middle East and for Western interests in the region.

President Hafez al-Assad, it seems, has come to the conclusion that the time is ripe to reassert Syrian control in Lebanon. He may well have thought that the collapse of the economy, the breakdown of security, the exodus from the capital and the ever growing arrogance of the sectarian militias were giving him an opportunity to do so with Lebanese popular support. Western newsmen, in fact, report that the Syrians have been welcomed by many Lebanese and that security has improved dramatically.

Amin Gemayel, Lebanon's Christian president, has remained silent. He evidently fears the Syrian soldiers are the opening wedge of a new Syrian effort to impose a political settlement under which Maronite Christians would lose much of their political predominance. He blocked the last such attempt six months ago. Now Mr. Assad is laying the groundwork for a new effort.

One of the Syrian troops' first moves was to surround the Palestinian camps. The objective is to stop the implantation of Palestinian armed units faithful to Yasser Arafat. Mr. Arafat's forces, driven from Beirut by the Israelis, have been rebuilding their strength in the camps. In early June they were reported to have over 1,000 armed men. Israel as well as Syria, the Lebanese Christians and Amal, the Shiite mainstream organization, would hate to see this buildup continue.

The Syrians' other target, it is thought, is the Iranian-backed Islamic fundamentalists, whose military presence and political and religious influence in Lebanon have spread far beyond what anyone imagined when they first arrived — a few hundred men strong — during the Israeli invasion in 1982. The result has been a radicalization of the Shiite community on whose support the Syrians depend.

The prospect that Mr. Assad is ready to assert greater Syrian control over the militias gives rise to new hope for the American and European hostages in Lebanon.

The hostages are held in territory that is nominally under Syrian army control. But that control has been far from complete. In recent weeks Syrian spokesmen sounded more optimistic — and more helpful. The defense minister, Mustafa Tlas, predicted flatly that the hostages would be freed.

The Syrians reportedly told America they were about to send their soldiers back to Beirut and U.S. diplomats, in turn, informed the Israelis. Israel, which wants to keep Mr. Arafat weak, and the countries with hostages should not be averse to seeing Mr. Assad taking more direct responsibility in Lebanon.

INTERNATIONAL HERALD TRIBUNE.

Sandinists and Stalinists

The Sandinists ask us to believe that Congress's full support for the Nicaraguan "contras" is forcing them to crack down further on free thought and speech. We don't believe it. The depredations of that CIA-sponsored army neither justify nor explain the totalitarian trend in Managua.

More plausibly, it is the regime's loss of popularity at home that drives the suppression. The Sandinists would have far less to fear from the contras they so recently scorned if their regime were not also alienating large segments of the population.

The rhythm of repression in Nicaragua does seem to be timed to Congress's votes on contra aid. Yet even when Congress withheld funds from the rebels, the Sandinists soon embarrassed those seeking to give them the benefit of a doubt. The latest crackdown may have been delayed until Congress voted on President Reagan's $100-million aid request, but only the credulous can fail to see the long roots of the police state now emerging.

In rapid order the Sandinists have closed the last opposition newspaper, La Prensa, expelled two prominent Roman Catholic clerics and posted still tighter limits of permissible dissent.

La Prensa was the symbol of liberal resistance against the Somoza dictatorship. Its survival was thus tangible evidence of the Sandinists' obligation to former allies and of their tolerance for at least one hostile voice. Now even censorship, harassment and intimidation no longer suffice, and the paper is indefinitely suspended. The sense of obligation and tolerance has evaporated.

The assault on the Catholic hierarchy also serves a long-standing goal, of creating a rival, "revolutionary" church. Cardinal Miguel Obando y Bravo was targeted long ago as an enemy of the regime, not just for defending his institution but also for advocating reconciliation among all Nicaraguans, including the contras. Formerly content to resist him with harsh denunciations and organized heckling, the Sandinists now practice secular excommunication. They expelled Father Bismarck Carballo, a spokesman for the cardinal, and Bishop Pablo Antônio Vega, vice president of the Bishops' Conference, on the ground that they were unfit for citizenship.

And Comandante Bayardo Arce Castaño, a member of the ruling Sandinist directorate, proclaims the dawn of a "new political phase" on top of the nine-month-old emergency decree. The parties permitted to run in the 1984 elections have already been restricted. Strikes are illegal and independent political activity can lead to jail. Punishment is threatened for those daring to call Nicaragua's civil war a civil war.

By these incremental steps, the pluralist revolution seems hopelessly betrayed. Instead of responding to the contra attacks by broadening their support, the Sandinists use the war to justify breaking their promises to respect a vital private sector of the economy and to coexist with a lively political opposition. They are well down the totalitarian road traveled by President Fidel Castro of Cuba.

Was that their goal from the start? If so, they have fulfilled Mr. Castro's bid to do it slowly, to confuse sympathetic democrats until repression could be blamed on the United States. If a Stalinist tyranny was not the original aim, how can it serve the regime's security to alienate important segments of Nicaraguan society? Even in stress, governments are fairly judged by the enemies they make. Nicaragua's is daily making more of them.

— THE NEW YORK TIMES.

Does the Deficit Matter?

President Reagan's deficit this year is apparently going to be even larger than last year's record $212 billion. Congress will go back to work on the budget knowing that the deficit is still not headed down.

Both houses of Congress and both parties think that the deficit is a lot more important than the president does. That raises the central question: Who's right about the deficit, Congress or the president?

The short answer is that Congress is right. The deficit is a threat to the country's prosperity and economic stability. Investment for growth has to be financed out of the same pool of savings as the deficit, and the United States has a notoriously low savings rate. With the deficit pre-empting the present large share of savings, the bidding for the remainder pushes up the interest rates. Real interest rates, adjusted for inflation, are now two or three times as high as they were during the years of great economic growth in the 1950s and 1960s. Is it really surprising that the economy is not growing now as it did then?

Interest rates would be even higher if foreign investors were not continuing to send their money in America at a rate of about $130 billion a year. That helps in the short run, but the United States is accumulating big foreign debts very rapidly. It is going to have to pay interest on them, like any other debtor. For the past four years America has been living far beyond its means, spending much more than it has been earning. That has contributed a lot to the glow of good cheer in the Reagan era. But at some point down the road — no one knows when — Americans are going to have to start spending less than they earn in order to carry that rising burden of debt.

— THE WASHINGTON POST.

Other Comment

Malaysia and the Drugs Trade

Walking through Penang, Malaysia, is a bit like running the gauntlet. From darkened doorways, whispered offers of various drugs waft the airways. And if the wary traveler chooses to survey the periphery, heads of the constabulary can be seen positioned strategically to arrest any wayfarer stupid enough to bite the bait.

Two Australians who did bite the bait were hanged at dawn on Monday in Kuala Lumpur. Brian Chambers and Kevin Barlow went to the gallows despite appeals for clemency from the prime ministers of Britain and Australia, and Amnesty International. Malaysia views drugs as a national security problem. That is one reason it executes those who peddle and smuggle narcotics. The threat to Malaysia's national security does not really reside with the pushers or even the 500,000 addicts. The biggest threat is the fabric of corruption which keeps the market supplied and taints every aspect of the society as a result.

— The Bangkok Post.

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OPINION

The Democrats' Rush to Reaganism Will Spell Disaster

By Arthur Schlesinger Jr.

NEW YORK — Last month, President Reagan won a considerable and rather surprising victory. Contrary to general expectation, he persuaded the House of Representatives, a body presumably controlled by his Democratic opposition, to vote $100 million in military and logistical aid to the "contra" forces organized by the CIA to overthrow the Sandinist regime in Nicaragua.

He humiliated the Democratic leadership, which passionately resisted the proposal, and induced 51 Democrats — one-fifth of the party in the House — to desert their party and reject its policy.

It was a notable triumph of presidential leadership. Mr. Reagan may not succeed in making the Sandinists cry uncle, but he has done pretty well with the House of Representatives. Among other things, the victory raises questions about that favorite cliché of the pundits, the alleged impotence of lame-duck presidents. What is still more impressive is that the victory took place not in response to widespread popular demand, but in the teeth of public opinion. Polls show an emphatic majority of the electorate opposed to the Reagan policy of aiding the contras.

If there was no aroused public bombarding Congress with telegrams, why then did the Democrats collapse? The 51 defectors supply a predictable assortment of particular reasons: Democrats, they say, cannot afford to appear soft on Communism; if Democrats blocked aid to the contras, the president would later blame them for the "loss" of Nicaragua; aid to the contras will bring the Sandinists to the negotiating table; or, the president must have a free hand in the conduct of foreign affairs.

A few of the 51 may actually believe that aid to the contras is sound policy on the merits, but I doubt that this was a significant motive. Most of the defections took place for tactical, not substantive, reasons.

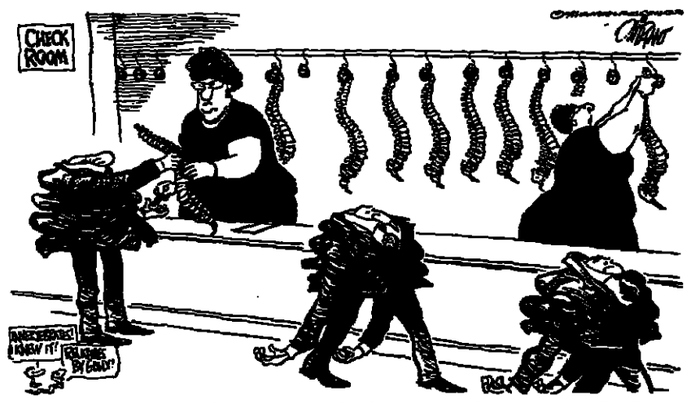
Yet one suspects a deeper tendency at work — for there are other signs of a Democratic scramble to get aboard the Reagan bandwagon. Recall, for example, the Democrats who compliantly voted for the Gramm-Rudman-Hollings Act. Consider Democratic support for the new tax bill. Doubtless this bill has its commendable features. But its essence is an attack on progressivity in the federal income tax. The principle of progressivity has been a historic Democratic commitment. Cordell Hull, the father of the progressive income tax, would have been incredulous at the thought of members of his own party flirting with the "flat" tax. Progressivity, Mr. Hull said, is "the one great equalizer of the tax burden."

What is this deeper tendency? The rush toward Reaganism is a tribute to the president's popularity. Faint-hearted Democrats feel that Mr. Reagan knows a secret and that if they could only learn it they could be as popular as he is. They believe that Democrats should repudiate their historic policies and vie with Reaganites in backing the contras and reducing progressivity in the income tax. Democrats should demonstrate their enthusiasm for swollen defense budgets, for an unbridled arms race, for unlimited nuclear testing, for the defiance of international law, for intervention in the Third World beyond vital U.S. interests, for a foreign policy that overrides allies and goes it alone.

At home, Democrats should show equal enthusiasm for cutting back social programs, for deregulation, for abandonment of racial minorities, for dumping Franklin D. Roosevelt's New Deal and Harry S. Truman's Fair Deal and John F. Kennedy's New Frontier and Lyndon B. Johnson's Great Society onto the ash heap of history, and for worshiping at the shrine of the free market.

Of course, such Democrats bravely say, the administration presses its dogmas a mite too far: "We Democrats will carry out the same policies more efficiently, more economically, more humanely." The Reaganite fellow-travelers would have the Democratic Party stand for Reaganism with a human face.

This is a familiar enough tropism, when opposition politicians confronted by a popular president of antipathetic ideas lose their nerve. Forty years ago, liberal Republicans who urged their fellows to accept the New Deal were charged by conservatives with the sin of "me-tooism." Today me-tooism is an infection within the Democratic Party. It finds expression in quasi-Reaganite formations like the Democratic Leadership Council and the Coalition for a Democratic Majority.



House members checking their vertebral columns before going into battle with President Reagan in the debate over aid for Nicaraguan 'contras.'

Me-tooism is a deeper tendency of which aid to the contras is only the latest manifestation.

For Democrats, me-tooism is a recipe for disaster. Me-tooism exaggerates the popularity of Reaganite ideology. Polls consistently disclose a wide gap between popular liking for the president and popular approval for his policies. A Times-CBS poll last January showed that two-thirds of the electorate thinks the government should spend more money on programs to help the poor. Surveying other polls in the May issue of the Atlantic, Thomas Ferguson and Joel Rogers found "little direct evidence that mass public sentiment has turned against the domestic programs of the New Deal" and said that "during Reagan's first term, the public increased its support for regulatory and social programs."

Even if Reaganite ideology were as popular as the me-too Democrats think, me-tooism would not be the answer to the Democratic dilemma. For if American voters are in a conservative mood, they will surely choose the real thing and not a Democratic imitation.

Reaganite ideology and the president's popularity float on a wave of precarious economic prosperity. The United States, after six years of President Reagan, is the world's largest debtor nation. It is running the largest budget and trade deficits in its history. When the economic bubble bursts, and burst it will, the public will turn to FDR's affirmative government, not to Mr. Reagan's free market. This is why the Democratic Party must renew, not reject, its historic commitment to government as the means by which a free people meets its problems. Otherwise, it will be as unprepared and discredited as Reaganism when crisis strikes. In foreign affairs, it must equally renew, not reject, its historic commitment to international responsibility as against the go-it-alone global unilateralism of the Reagan administration. Democrats who think fidelity to convictions is political suicidal might remember that Mr. Reagan got where he is today not by me-tooing the opposition when it was in power but by insisting on his beliefs, wrong-headed as they might be, and doing so in bad times as well as good.

The writer is professor in the humanities at the City University of New York. He contributed this comment to The New York Times.

Within Confines of Soviet System, Some Officials Are Dissenting

By Stephen F. Cohen

NEW YORK — Mikhail Gorbachev's campaign to bring about "fundamental changes" in the Soviet system raises an important question about his chances of success and about American perceptions.

Having launched a nationwide crusade against "all kinds of timeservers, careerists and bureaucrats" in the Soviet establishment, he is calling for the support of "honorable, conscientious, decent" members of those same elites. But do such people exist inside the party and state bureaucracies that administer the system or among the other elites whose officially sanctioned careers have brought them status and privilege?

Evidently, most American commentators think that they do not. For years, Western media coverage of the Soviet Union has attributed virtuous qualities almost only to dissidents, émigrés and would-be émigrés, leaving the impression that the entire Soviet establishment is conformist, cynical, corrupt or worse. In American eyes, it seems, no admirable person can work in the Soviet system.

To be both a successful and a "decent person" — a *poryadochnyi chelovek*, as fellow citizens say admiringly — is exceedingly difficult in the Soviet Union. Many people conform for universal human reasons in a system where there are no effective democratic obstacles to abuses of power; where local authorities are often capricious and it can be risky to protest even petty wrongs; where decades of scarcity have created zealously guarded privileges; and where there are almost no alternatives to state-approved careers. They become indifferent to, or accomplices in, corruption, injustices and cover-ups.

And yet, many members of the various Soviet elites do retain their ideals and their "civic courage," as it has long been called in Russia. How could it be otherwise in a nation where the word "conscience" has profound meaning, where the official ideology still professes lofty values. Such people are neither dissidents nor abject conformists. They are ambitious, they love their country and they believe in the Soviet system. But they want the system to conform to their own sense of right and wrong.

Many examples of admirable conduct by people of authority and privilege are known to frequent travelers to the Soviet Union. Their exemplary behavior is a recurrent theme in the best Soviet literature since the 1950s and even in dissident writings. These people range from party officials who argue for more enlightened policies to economic managers who ignore central directives in order to make the system more productive; from journalists who challenge censorship to teachers who defy orthodoxy in order to enrich their students' education; from exalted academicians and writers helping victimized colleagues to aspirants who refuse to become informers in return for promotion.

Political space for doing good deeds inside the system was considerably greater during Khrushchev's de-Stalinization policies than during Brezhnev's conservative rule. In the 1960s Len Karpinsky was a national leader of the Young Communist League and a rising star. By 1975, as a result of advocating democratic reform behind the scenes, his career was ruined and he was expelled from the party. Again in the 1960s, Ivan Khudenko, a state official in Kazakhstan, was authorized to organize an experimental alternative to the orthodox collective farm. Having offended powerful local politicians, he was falsely convicted and died in jail.

But these were exceptional cases. The great majority of *poryadochnyi* officials merely grew more cautious and did, as one confided, "what is right, when it is possible."

Now, Mr. Gorbachev is appealing to their ideals and again raising their hopes. Suddenly, "civic courage" has become a slogan of the leadership. Boris Yeltsin, a candidate Politburo member and a Gorbachev protégé, told the recent party congress that he had not criticized political ills at the previous congress because "I clearly lacked sufficient courage." Other high ranking officials are making similar public admissions.

A mini-thaw, or relaxation, of cultural censorship is unfolding. Its main themes, according to Soviet newspapers, are "conscience and decency," as reflected in the names of three plays currently running in Moscow: "The Cry," "Speak" and "Dictatorship of Conscience."

None of this means that a reformation will occur in Soviet officialdom. Clearly, Mr. Gorbachev's call for official candor is a political weapon in his struggle against opposition to his policies. But Americans should ask if civic courage is greater in their own system, where the price is so much cheaper. The White House budget director juggles figures to please his superiors. Astronauts keep silent about safety concerns so as not to lose flight assignments. Senators will not speak out against the administration's foreign policies because they worry about re-election.

And yet, many Americans insist that to be admirable in the Soviet Union, a citizen must break openly with the system, abandoning all hope of a career and risking martyrdom. Rarely, if ever, do Americans ask so much of themselves.

The writer is professor of politics at Princeton University and a frequent commentator on Soviet affairs.

Tougher Foreign Policy Would Snare Drug Traders

By Stanley Karnow

WASHINGTON — The sudden death last month of Len Bias, the University of Maryland basketball ace, shocked and sobered Americans. For Mr. Bias, poised for fame and fortune as a professional, succumbed to a lethal dose of cocaine.

Committees and teams have been formed to investigate drug abuse at the university. But it appears little has been done in the upper echelons of government to address the broader challenge of narcotics, now the scourge of the United States.

The Bias case is only symptomatic. If a star athlete slid into addiction, what is happening to the rest of his generation? The answer, quite clearly, is that drugs are devastating not only ghetto kids living in poverty and despair, but young people who, as Mr. Bias, faced brilliant futures.

I know of no family, including my own, in which the children have not at least experimented with drugs. The latest fad in the fast lanes of New York, Los Angeles and other big cities is crack, the super cocaine recipe, which hooks its users immediately. It will soon be killing more youngsters than automobile accidents.

Politicians, physicians, psychologists, sociologists and police officers have numerous proposals for coping with the drug epidemic. Every recommendation makes a certain amount of sense, since the problem is composed of different and often disparate elements. The unemployed black teen-ager may use drugs to forget his woes. The affluent white college student may take drugs for a thrill.

One way to meet the problem may be through a more rigorous foreign policy, a tougher approach to leaders who tolerate or are directly implicated in drug smuggling. It is common knowledge that countries in Latin America and Southeast Asia are the big sources of drugs. The time has come for the United States to warn the governments of those nations to expect sanctions unless they cooperate with U.S. law enforcement officers in ending drug traffic.

I cannot think when I have ever before agreed with Senator Jesse Helms, the right-wing North Carolina Republican. But, even in exaggerated form, he has been performing a service by calling attention to alleged drug trading by figures close to high Mexican officials. It may be that Mr. Helms, who is often wrong, has mixed up his purported culprits. But the United States ought to be probing the alleged Mexican connection vigorously, and letting it be known that it will hide nothing if prominent figures are shown to be involved.

President Reagan plans to meet Mr. Miguel de la Madrid next month, evidently to soothe his feelings. American officials confirm, nevertheless, as one of them puts it, that "there is an increase in drug trafficking and elements of the Mexican governmental structure are involved."

I cannot envision Mr. Reagan appeasing Colonel Moammar Gadhafi of Libya, whose regime supports terrorists. But drugs are a bigger killer than terrorism. Diplomacy often defeats efforts to stamp out the narcotics trade. Drugs represent such huge profits that some political leaders cannot resist a piece of the action.

In Thailand, a center of the heroin traffic, a top U.S. investigator disclosed to me some years ago that several of the most prominent government and business leaders were implicated in the drug trade.

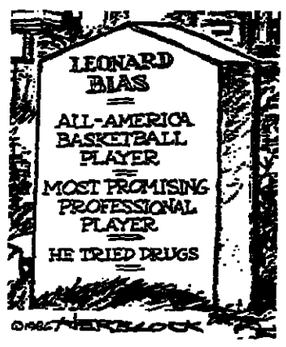
"We can't lay a glove on them," the narcotics agent said. "Otherwise we would blow these people sky high, and they're our allies."

Certainly the United States should not embarrass its overseas partners. But expedient friendships are worthless if the so-called friends are contributing to the destruction of America's youth. It is a matter of priorities.

King Features.

Grown people can't be tailed 24 hours a day by someone carrying a urine sampler. Grown people can't be forced to save their own lives, not if they don't really want to live. At best, you can teach a person to be careful when they can't behave and ask for help when they can't do that.

— Columnist Courtland Milloy in The Washington Post.



It's Not Too Late to Help

By Nancy Reagan

WASHINGTON — Like everyone else, I felt the loss of Len Bias. While those wounds were still raw, we learned of the death of Don Rogers, another gifted athlete sacrificed to cocaine. He was to be married the next day. I cannot imagine the inconsolable grief of his bride.

As painful as these two cruel shocks have been, I have been receiving similar stories of grief for many years now. Most people have no idea of the incredible pain and price drugs are exacting on America.

I have been pursuing a goal for the last five years and believe that progress has been made. In the beginning, I felt the main task was to raise the level of awareness of the problem and make people more knowledgeable. I think that has been accomplished. Most Americans today do recognize the problem. There has also been encouraging growth in the number of parents' groups and service clubs working to increase drug awareness. Kids themselves have been getting involved.

The problem is this: Most people don't feel that combating drugs has anything to do with them. It's for others to do — those who work in treatment centers or who have children on drugs or who live where drugs are openly traded.

I believe it's time to let people know that they have a personal, moral responsibility to fight drug abuse. Each of us has an obligation to take an individual stand against drugs. Each of us has a responsibility to be intolerant of drug use anywhere, anytime, by anybody. Everyone has an obligation to force the drug issue to the point it may make others uncomfortable and ourselves unpopular.

You cannot separate so-called polite drug use at a chic party from drug use in a back alley. They are morally equal. You cannot separate drug use that "doesn't hurt anybody" from drug use that kills. They are ethically identical: The only difference is time and luck. It's too late to save Len Bias, but it's not too late to save the young kids who idolized him.

This was excerpted from an article contributed to The Washington Post.

LETTERS TO THE EDITOR

Drug Penalty Was Right

I applaud the Malaysian government's toughness and resolve in its war on drugs. It is not Malaysia that is "barbaric," as Prime Minister Bob Hawke of Australia charges, but Mr. Hawke's criticism of it. ("2 Australians Hanged in Malaysia for Drug Offense," July 8).

Is Mr. Hawke so benighted that he does not know that a drug epidemic is raging all over the world, Australia included? He should save his tears for the thousands of his own countrymen whose lives have been ruined by the greed of people like the two confessed Australian drug smugglers.

J.C. DIXON.
Paris.

'Mother's Last Goodbye'

Geraldine Gault (Letters, June 26) purports to enlist "hundreds of other women" in support of her "distaste" at the photograph and caption under the heading "Mother's Last Goodbye" (June 12). I found the picture neither intrusive nor sensationalist.

The death of children, and the particular pain this causes to human beings, has been and will presumably continue to be an essential factor in shaping our species. Ms. Gault's letter attests to the superficiality of dominant Western morality, its inability to educate people to cope with and integrate the realities of life.

JEAN-CLAUDE ROUGET.
Rennes, France.

A Map Stuck in the Past

The headline "1986: The Time Is Ripe to Break With Past" (Special News Report on West Africa, June 28) is in tune with the content of its article, but the map is not. Upper Volta and the Central African Empire are now Burkina Faso and the Central African Republic.

JOHN N. BOUCAOURIS.
Bonn.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Babel Is Reborn

NEW YORK — Five hundred men and women, wailing and writhing on the ground in almost continuous ecstasy of religious hysteria, are holding a fortnight's convention of the "Gift of Tongues" sect at a homestead near Pittsburgh. They are delegates from congregations in all parts of the United States. The central belief of the sect if that the curse which fell on the Tower of Babel no longer holds sway. Thousands of sightseers attend the meetings which continue from noon till midnight. At one meeting 100 worshipers were stretched on the ground, some unconscious, others screaming and writhing in agony. Frenzied exhortations were addressed to the spectators to cast away sin and join the sect. A number of persons accepted. When their hysteria was succeeded by exhaustion they were pronounced true converts.

1936: Japan and China

PEIPING — Japanese tanks, armored cars and trucks full of khaki-clad Japanese soldiers roared through the streets here [on July 10] in the third demonstration of military strength in three days. Foreigners, who attempted to photograph them, were roughly handled by soldiers and were warned by the Japanese Embassy that although Peiping was not Japanese territory, they intended to enforce Japanese military law.

NANKING — General Chiang Kai-shek is making a final effort to keep China from being wracked by civil war, it was said here after the opening of the Kuomintang Central Executive Committee session. He hopes to conciliate Kwangtung and even buy over its leaders to his side, while making war on Kwangsi, which has led the movement against him, backed, many observers believe, by Tokio.

INSIGHTS

In UN Buffer Zone, a Cypriot Village Evokes Old Ethnic Harmony

By Henry Kamm
New York Times Service

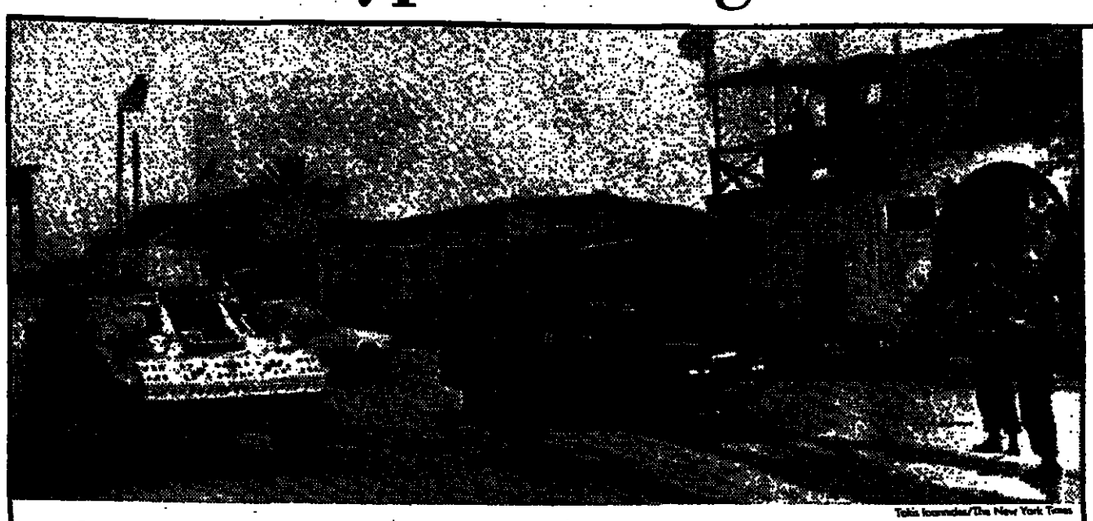
PYLA, Cyprus — On Cyprus, Pyla is a reminder of how things used to be. An Orthodox church and a mosque are still n. On the village's central square, Greek and rkish coffeehouses still cater to their regular, nnic clienteles.

What is more, Turkish and Greek Cypriots not alien to each others' cafés. Not all the rds playing cards or backgammon on the ek terrace on a recent morning were Greeks. ch harmony does not come naturally in rus, which has been divided since the Turk- nvasion of 1974 into two parts: the south- two-thirds, where Greek Cypriots live, and northern third, populated by Turkish Cyp- s and settlers from Turkey. Pyla is between wo, in the demilitarized buffer zone policed United Nations troops.

m a wooden platform atop a house in the ter of one side of the main square, an incon- ity in the eastern Mediterranean scene can iewed 24 hours a day. It is one of the dish soldiers whose presence, for the 1,048 ple of Pyla, replaces the authority of either central government or the Turkish Cypriot ssionist regime that is recognized only by key.

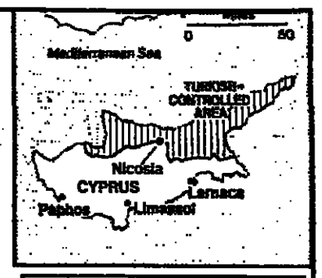
detachment of five Swedish civilian police ers fills in the gap between the local police es, of which there are two, like everything in Pyla. Neither force has authority over ens of the other nationality. If a Turk pes a fender on a Greek car, it is paid for ugh Swedish mediation.

though the Ottoman title is retained, the ntar who governs the 713 Greeks in Pyla is named by the government in Nicosia while his colleague is elected by the 335 Turks. Greeks and Turks have their own schools, but a Greek kindergarten accepts Turkish pupils. The Turkish children of Pyla are perhaps the last of their nationality who still speak Greek, the majority language that once was spoken by most of the island's people.



Takis Ioannides/The New York Times

A Swedish soldier keeps watch over the Greek and Turkish Cypriots of Pyla as a UN vehicle passes through.



The Turkish Army stopped just short of Pyla in its invasion, perhaps because the village lies at the edge of one of two large military bases over which Britain retains sovereignty. In the hectic days of 1974, Greek Cypriots rounded up the Turkish population during a coup. Then, when Turkish troops landed, the Greek population fled to the safety of the base while the Turkish Cypriot population persuaded the invaders to spare their village.

Six months later, the Greek refugees drifted back and found their homes and property untouched.

The central government, eager to demonstrate that the two nationalities can coexist, supplies such services as water, electricity and garbage pickup. In return, it requires Greek residents to pay Cyprus taxes. The Turkish inhabitants, to the resentment of their fellow citizens but with the central government's tolerance, obey the order of the secessionist authorities to ignore the central government.

The people of Pyla benefit materially from living in the only spot in Cyprus where the two sides and their products are not hermetically sealed from each other. Tourists flock to profit from the cheap, not quite legal exports from Turkey and Turkish Cyprus, although few realize why there are so many taverns serving cheap, fresh fish or why the village seems to be so dominated by shops bearing the insignia of a famous West German maker of sportswear.

The fish comes from Turkey, and the clothes, with their fake labels, are made in the Turkish sector of Nicosia. The central authorities do not question the origin of the fish, which draw weekend crowds of Greek Cypriots. They penalize Greek Cypriots when they catch them buying the sportswear, but they close an eye to the tourists.

Yet the harmony of Pyla still bears the shadows that darkened coexistence before the invasion separated Greeks from Turks. Greek Cypriots complain that their generally less prosperous Turkish neighbors receive more than they contribute, and they resent the Turks' refusal to pay for government services.

Turkish residents still have the fears of a minority, fears that have vanished in the zone occupied by the Turkish Army.

Neyir Rifat sat in her small grocery store under a photograph of Bulent Ecevit, the former Turkish prime minister who ordered the invasion, and a map of Turkey that shows northern Cyprus as an independent nation. She angrily recalled what most Turkish Cypriots considered discrimination and neglect by the central government, which has been uniformly Greek Cypriot since 1963.

"We say, 'How are you?' but it is not real friendship," Mrs. Rifat said. "They don't want us here, but we were born here."

Israeli Colonel Who Piloted Lead Plane in Entebbe Raid Credits 'Luck and Chutzpah'

By Phil McCombs
Washington Post Service

WASHINGTON — Ten years ago, Lieutenant Colonel Joshua Shani peered into the overcast African night the cockpit of his C-130 Hercules and saw, up before him, the runway lights of En- International Airport.

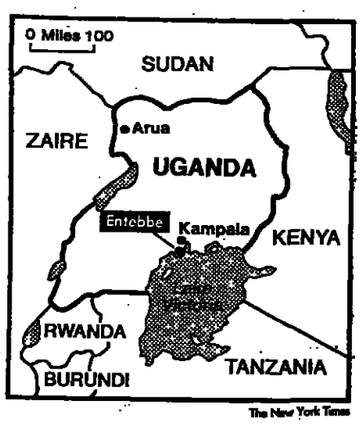
was quite an easy landing," said Colonel , now a full colonel and the air attaché at Israeli Embassy here. "I didn't use any ng lights; it was a dark landing, which isn't deal. We didn't want anyone to see us."

e plane landed unnoticed, and what fol- has become legend. Israel, acting boldly alone on July 3 and 4, 1976, sent an ne force of special commandos 2,300 (3,700 kilometers) across often-hostile n to rescue 105 hostages held by pro- timian extremists.

e strike was quickly conceived and execut- was "surgical," and it worked.

nutes after the first plane touched down, of the extremists were dead along with 20 Ugandan troops. The hostages, who had hijacked aboard an Air France flight to were freed. Three hostages were killed.

lonel Shani was a 30-year-old squadron commander when he piloted the lead plane into Entebbe. Aboard was General Dan Shomron, commander of the raid, and Lieutenant Colonel Jonathan Netanyahu, head of the assault party that freed the hostages. Colonel Netanyahu was the only Israeli military man to be killed.



The New York Times

What follows is Colonel Shani's version of events, which differs in some respects from other versions. The colonel, speaking clear but strongly accented English, told the story in his embassy office.

The hostages were being held in an old terminal building at Entebbe, south of Kampala, the Ugandan capital. They had been hijacked June 27 aboard a flight from Tel Aviv to Paris via Athens. There were 246 passengers plus crew members to begin; by July 4, the day of the raid, only 105 hostages remained after most of the non-Jews were released.

The extremists, perhaps 10 in all, stood guard over the hostages inside the building, which was guarded outside by Ugandan troops. President Idi Amin was all but openly cooperating with the hijackers, although when he visited the hostages and spoke to them he pretended to be neutral.

Israeli intelligence learned that on these visits, Mr. Amin arrived in a black Mercedes flanked by two Land Rovers. Israel was making diplomatic efforts to solve the crisis. At the same time, preparations were going forward for a possible military rescue operation.

Suddenly, the time pressure was intense. The hijackers were demanding the release of others imprisoned by Israel and West European nations, and it appeared they might soon begin killing the hostages at Entebbe.

"We had 24 hours to plan, rehearse and execute" an operation, said Colonel Shani.

Somebody suggested that if the Israelis drove up to the terminal in a black Mercedes flanked by Land Rovers, the Ugandan troops outside the terminal would think it was Mr. Amin and hold their fire.

"And we needed just a few seconds of hesitation to let our people penetrate the terminal," he said.

The Israeli planners began hunting for a black Mercedes.

"We tried Hertz and Avis," Colonel Shani said. "They didn't have one in Tel Aviv."

Finally a car was found at a small Mercedes dealership, but it was white. Israeli troops quickly got a can of black paint and painted it — "a very lousy job." But, when the moment came, it fooled the Ugandans as planned.

COLONEL Shani led the flight of four C-130s. They left Sharm al-Sheikh on the southern tip of the Sinai Peninsula at about 4:30 P.M. on July 3. They went down the Red Sea between Saudi Arabia and Egypt, flying low to dodge radar in these countries and aboard Soviet ships.

Flying low is tiring and uses a lot of fuel, so when they turned right over Ethiopia they increased altitude. Over Lake Victoria they went through a "huge thunderstorm and that was hell inside."

They maintained radio silence. Israel did not alert other nations. Surprise was everything.

The flight took more than seven hours. Colonel Shani landed at 1 A.M. "in a light rain with no moon and no stars." The other planes stayed aloft in a holding pattern while Colonel Shani brought the big military transport down in a quiet "combat landing," using 600 feet (about 180 meters) of runway.

He stopped, and the commandos jumped out to distribute strings of battery-powered auxiliary landing lights along the runway in case Ugandan airport officials switched off the main lights.

"The tower didn't know we landed," said Colonel Shani. "The C-130 is a quiet plane, and they didn't expect anything."

He taxied to within 1,000 yards of the old terminal building. The Mercedes, carrying nine commandos including Colonel Netanyahu and the Land Rovers, rolled out the back ramp and moved toward the terminal.

The Ugandans held their fire.

The commandos "approached the terminal and stormed the building," the colonel said, "and then they shouted inside in Hebrew and English, 'Everyone lie on the floor!' Everyone did so except the terrorists, of course, and in a very short cross fire the terrorists were dead."

The other planes had landed, disgorging troops who secured the area, began administering medical care to the wounded and got the hostages aboard a plane.

THE operation took about an hour. Colonel Shani said they wanted to refuel at Entebbe but were taking some fire from the Ugandans by that time, so they took off and refueled at Nairobi.

Then they flew back home, arriving in Israel about 9:45 A.M. on July 4.

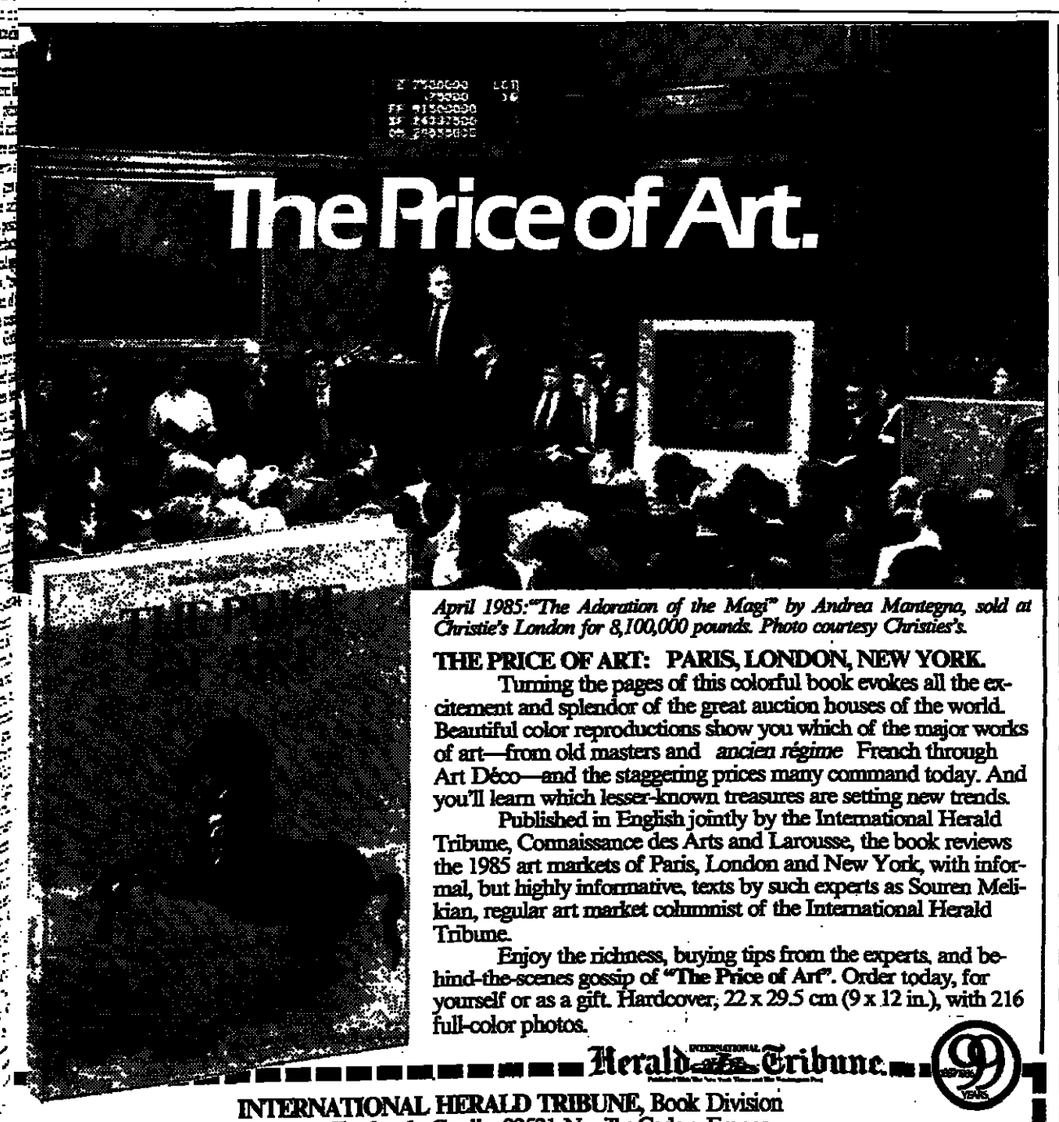
"Oh, the country was like a madhouse at this time," said Colonel Shani. "You could see the snowball of joy getting bigger and bigger."

It was the high point of his military career. "Military missions, it's always a destructive job," he said. "To do a military operation to save people, that gives you a real good feeling."

So what was the secret of success?

Colonel Shani took a drag on a cigarette.

Simplicity, he said, and luck. And, he added, "It took a lot of chutzpah. You know the meaning of the Jewish word chutzpah?"



April 1985: "The Adoration of the Magi" by Andrea Mantegna, sold at Christie's London for 8,100,000 pounds. Photo courtesy Christies's.

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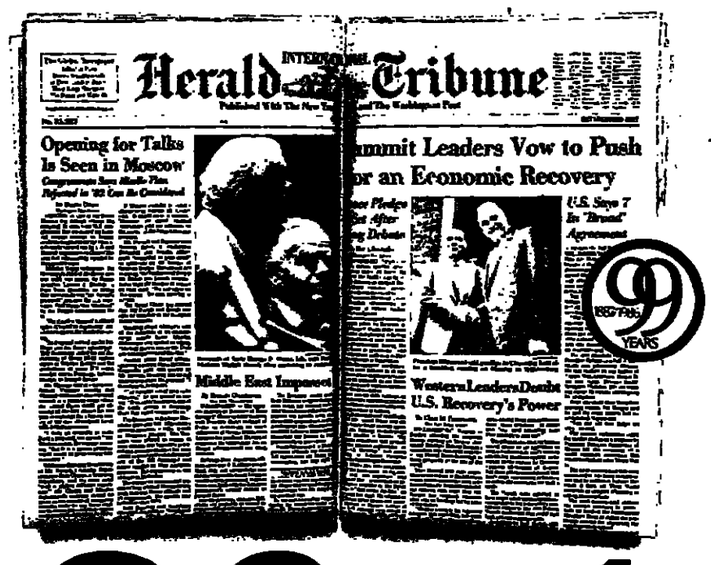

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Malaysia	M.$	445	120
Nepal	U.S.$	243	64
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AMERICAS		1 year	6 mos.	3 mos.
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Guatemala	U.S.$	297	164	85

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For Thai Surgical Team, An 'Ear Safari' in Kenya

Doctors Use Assembly-Line Method To Save 400,000 Poor From Deafness

By Blaine Harden
Washington Post Service

KAKAMEGA, Kenya — First up on operating table No. 1 was Panyaka Maracha, a 43-year-old Kenyan carpenter with an inflamed perforation in his right eardrum. He had prepared for surgery at Kakamega Hospital by cleaning his bad ear with a chicken feather.

Beside him, on operating table No. 2, was Charles Nyagwanna, a 32-year-old welder whose right ear had been infected since he was 9 years old. He had been trying for 12 years to get a doctor to operate.

Only four doctors in Kenya perform ear surgery on poor people, and they serve an estimated 400,000 Kenyans with ear infections or perforated ear drums.

"If you want me to work on you, I can see you next February," said Dr. Manuel D'Cruz, an ear surgeon who operates in a government hospital in the capital, Nairobi.

This helps explain why the two Kenyans with infected ears in this rural hospital 240 miles (390 kilometers) west of Nairobi were attended by ear surgeons from Thailand.

As part of a program funded by the United Nations to halt preventable disabilities, Thai surgeons have crisscrossed Kenya over the past two weeks on an "ear safari." Their itinerary included nine rural hospitals where they operated daily on an average of about 20 Kenyans, most of whom had needed surgery for several years.

Further explanation of why four of Thailand's most eminent ear, nose and throat specialists would travel to the African hinterland with one and a half tons of microsurgical equipment lies in the single-minded, compulsively organized, messianic personality of one of the surgeons.

"You see that white stuff in this patient's ear, that is my enemy," said Dr. Salyaveth Lekagul, inviting a reporter to look through his operating microscope into Mr. Nyagwanna's middle ear.

The chamber oozed with the infectious fluid generated by cholesteatoma, a severe ear infection that is all but extinct in the United States and Europe. In the Third World, cholesteatoma is a major cause of deafness and brain abscess, which often results in death.

Dr. Lekagul, 47, received his ear, nose and throat training at the Washington Hospital Center in Washington. He returned to Bangkok from the United States in 1972 to find that not a single ear specialist was working in rural Thailand, where about 80 percent of the country's 52 million people live.

He also found that ear infection was the major cause of death from brain abscess in Thailand.

Having set up a private practice in Bangkok, the surgeon began taking off on long weekends in search of cholesteatoma, which starts with a common infection in the middle ear and, if neglected, destroys the middle ear and threatens the brain.

He drove into the countryside with his surgical instruments to operate on peasants with the disease. His one-man surgical weekends evolved into a 15-year crusade against the ear diseases of the poor.

Dr. Lekagul recruited other Bangkok ear surgeons to accompany him and developed techniques for rapid-turnover microsurgery in hospitals in the bush.

He figured out how to pack six surgeons, two bulky operating microscopes, 10 sets of surgical instruments, four examination cases complete with portable suction, 60 sets of surgical linen and enough ear medicine for 3,000 patients into one Toyota pickup.

With $2,500 awarded to him for being a "model citizen of Thailand," he created an ear foundation. He started producing videotapes, making radio commercials, designing posters and presenting scientific papers to persuade poor people with ear problems to see doctors and to persuade ear surgeons to get out of town and operate.

Dr. Lekagul brought his self-contained surgical caravan to Kenya at the request of the Kenya Ear Foundation, which hopes to recruit ear surgeons from around the world for regular ear surgery tours in rural areas. The Thai ear safari cost about $10,000, and was funded by the UN Impact program for halting preventable disability.

With his Thai colleagues, Dr. Lekagul has devised assembly-line examination techniques that allow doctors to diagnose and prescribe treatment for patients in less than 10 seconds. In one day, he and five other ear specialists have examined 2,700 people.

"We do everything by number," Dr. Lekagul said. "All the diseases, all the treatments have numbers. We don't have to talk to patients. We move fast."

The surgeon explained much of this with his eyes fixed on his microscope and his hands busy with drills, scalpels, retractors, suction tubes and other equipment that were used to remove infected tissue from Mr. Nyagwanna's middle ear.

Mr. Nyagwanna was fully conscious during the procedure. After walking into the sterile operating room in his hospital gown, he was given a shot of xylocaine, a painkiller used by dentists. He then was told to lie still as Dr. Lekagul began a one-and-one-half-hour operation called a radical mastoidectomy.

The delicate procedure, so named because the surgeon drills and cuts out infection from spongy mastoid bone below the brain, is considered "major surgery" in the United States and Europe and is performed there under general anesthesia. But a shot of xylocaine costs about 50 cents, Dr. Lekagul points out, while general anesthesia costs at least $30.

On the adjoining operating table, Mr. Maracha was getting a new eardrum installed in a skin-grafting procedure called a tympanoplasty. It was performed by Dr. Aurchat Kanjanapitak, who was recruited by Dr. Lekagul in Bangkok for the ear safari.

In removing tissue behind Mr. Maracha's ear for the eardrum graft, the surgeon took enough extra tissue for the next patient, who was waiting out in the hallway and who also needed a new eardrum.

"We have found almost no rejection of tissue in these grafts," Dr. Lekagul said. "We save 10 or 15 minutes per case by taking tissue from one patient and giving it to three. That way we can save enough time to do one or two more surgeries a day."

When Dr. Lekagul finished with the first of what would be seven ear surgeries in one day in Kakamega, he drew back the surgical linen from Mr. Nyagwanna and asked him how he felt.

"It's okay," said the patient. "Will it be possible now for me to travel down the road?"

Blaine Harden/The Washington Post

Dr. Salyaveth Lekagul, a Thai surgeon, examining a Kenyan boy at Kakamega Hospital.

In South Africa, a Slight Gain

Court Release of a Detainee Heartens Some Legal Experts

By Alan Cowell
New York Times Service

JOHANNESBURG — A South African court's decision to release a detained television soundman is being cited by some legal experts here as showing a growing readiness by some judges to challenge the government's actions under the state of emergency decree.

The soundman, Theopilus Mashiani, 26, is a black employee of Worldwide Television News. According to Supreme Court testimony, Mr. Mashiani was detained at 3 A.M. on June 15 when the police raided a college dormitory in Soweto, where he was staying with a friend, Khausi Radebe.

Under the emergency decree proclaimed June 12, the actions of the police or the army may not be reported except when the Bureau for Information, the government's propaganda arm, authorizes such reports.

Court testimony is exempted from the prohibition.

Miss Radebe, a student of social sciences at the University of the Witwatersrand, told the court about the police raid at the Glyn Thomas Hostel and the search of her room.

She said the policemen found 38 cassette tapes; a calendar issued by a group campaigning for the release of Nelson Mandela, the imprisoned black nationalist leader; a poster depicting Mr. Mandela's wife, Winnie, and a notepad with the emblem of the American ABC television network.

Until they saw the ABC emblem on the notebook, Miss Radebe said, they had paid little attention to Mr. Mashiani.

But when they learned that he worked for a foreign television company, she said, they detained him and that was the last she saw of him until he was freed two days ago by a judge who ruled that the police had acted in bad faith.

Mr. Mashiani was one of 4,500 people detained under the emergency decree.

The release of the ABC soundman did not dent the powers of the government in ordering such detentions under an emergency decree that offers the police and the army virtually unlimited powers of arrest and search with warrant.

But the release did hearten some lawyers and legal experts.

Justice Richard Goldstone said when he ordered Mr. Mashiani freed: "The courts are here to administer justice to those who seek it — not to keep the peace of the land."

The justice said that if police officers, even under the emergency decree, "abuse their powers, there are ordinary courts of the land which they can be summoned before to explain their actions."

Mr. Mashiani went free in part thanks to Miss Radebe, who argued in court that no one could genuinely believe that his arrest was necessary for the maintenance of public order, the safety of the public, the safety of Mr. Mashiani himself or the termination of the state of emergency.

The emergency regulations grant indemnity to officers acting in good faith to enforce the decree. But, lawyers said, that indemnity does not hold if they act in what is deemed to be bad faith. Thus, some lawyers argued, in the future police officers might be more hesitant about whom they detain.

The ruling seemed to have wider connotations, since it followed actions in court earlier this year that inhibited the authorities' use of part of the nation's pervasive security legislation and forced the authorities to release or lift restrictions on political foes.

John Dugard, an activist lawyer, said: "What one is seeing is not confrontation between the co... and the government, but a growi... distance, a growing assertion of ... dependence from the executive."

That was not always the case in South Africa, he said. In the Hi... Mr. Dugard said, the governme... clashed with the judiciary pa... partly because many judges ... been appointed by a previous ... administration. But in the 1960s ... the 1970s, he added, "it was virtu... ly unheard of to hand down a ju... ment against the security police."

What prompted the change, M... Dugard said, was mounting cr... cism of the courts from within ... legal profession and the rise ... prominence of figures such as Jo... Milne, the judge president of ... tal, the province with the most l... eral judiciary.

It was in Pietermaritzburg, ... capital of Natal, that state char... of treason against labor union... and political activists were recen... dismissed.

Union Calls for Pretoria Protest

Reuters

JOHANNESBURG — The Congress of South African Trade Unions, the country's biggest black-led labor federation, said Thursday that it planned a "national day of action" Monday to protest the state of emergency imposed by the white authorities last month.

Meanwhile, a bomb exploded outside the stock exchange in central Johannesburg. The government's Bureau for Information said the blast caused little damage and there were no reports of casualties.

The 500,000-member Congress of South African Trade Unions gave no details of what Monday's action would involve. But union sources said it would be a mix of sit-in and strikes.

The union said it was seeking the release of detainees and political prisoners, the lifting of bans on outlawed organizations and the abolition of apartheid.

■ Labor Leader Detained

The U.S. State Department ... that Amon Msane, the black S... African union leader, was arre... Thursday when he returned ... South Africa after six weeks in ... United States campaigning ... apartheid, Reuters reported fr... New York.

The State Department issued ... statement confirming reports fr... Johannesburg that Mr. Msane, ... was arrested minutes after ... stepped off a South African A... ways flight from London.

■ EC Sanctions Urged

The European Parliament ... manded Thursday that the 12 E... ropean Community nations imp... full economic sanctions ... South Africa to pressure the co... try into abandoning its apartheid policies, Reuters reported fr... Strasbourg, France.

The largely advisory Parliament, reflecting virtually the whole spectrum of public opinion within the EC, adopted on a 228-114 vote with 29 abstentions, a report calling for an immediate ban on new investments in South Africa and on imports of coal, iron, steel and gold from the country.

Meanwhile, The New York Times reported that the president of 95 colleges, in a letter sent to 100 members of the U.S. Senate and to leaders of the House of Representatives, urged Congress on Thursday to approve strong sanctions against South Africa.

THATCHER: *Case Against Sanctions Is Reiterated*

(Continued from Page 1)

wealth countries that are pressing her to act against South Africa.

Instead, she repeatedly stressed change made by President Pieter W. Botha, such as the repeal of the pass laws and the Prohibition of Mixed Marriages Act.

She told two Canadian correspondents in a joint interview: "If someone is going in the right direction, I think it is best to encourage them to go further in that direction."

Mrs. Thatcher called for the release of Nelson Mandela, the imprisoned black leader, and the legalization of the banned African National Congress. But she does not appear to view Mr. Mandela as the key to a solution.

She said he represents some blacks but "by no means all," adding that Chief Gatsha Buthelezi, the Zulu leader, "perhaps represented more."

The importance of Chief Buthelezi, whom she twice identified incorrectly as the Zulu king, is stressed in each of the six interviews to bolster Mrs. Thatcher's contention that many "moderate" blacks oppose sanctions.

By contrast, when asked how she felt about the aspirations of blacks such as Bishop Tutu and Winnie Mandela, she commented scathingly on a remark by the wife of the imprisoned black leader that seemed to exult in the use of "the necklace" to deal with opponents of the nationalist movement.

"I noticed that she said that the black South Africans had a new weapon known as 'the necklace,'" Mrs. Thatcher said. "From that point of time, I ceased to have any sympathy for that case."

In none of the interviews was Mrs. Thatcher asked about Britain's economic stake in South Africa. Britain earned an estimated $5.9 billion on trade, investments and services there last year.

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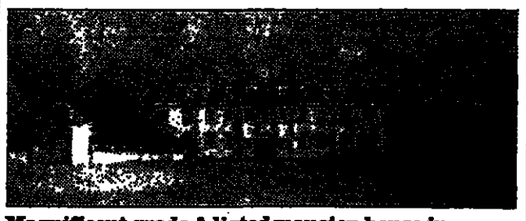

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...RAVELER'S ...HOICE

...ours du vin

■ If you have a good head, strong legs and a taste for wine, a cycle tour of the French vineyards should make for an excellent vacation. To help you on the way, take "Grape Expeditions in France — Bicycle Tours of the Wine Country" by Sally Taylor. She divides the area into 12 "rides" and gives easy-to-follow advice on trains and ...s, as well as on the bicycle you might buy or rent, ...ding how to pack it. "French people adore their wine ...they adore the bicycle," the author points out, but ...adds some sound advice for those planning to visit wine ...ers: call ahead, try to speak in French and be pre... to ignore the occasional huff when the wineseller re... how a bike can restrict your purchasing power. ...n Sally Taylor & Friends, 750 Kansas Street, San Fran..., California, 94107.

...itish biking

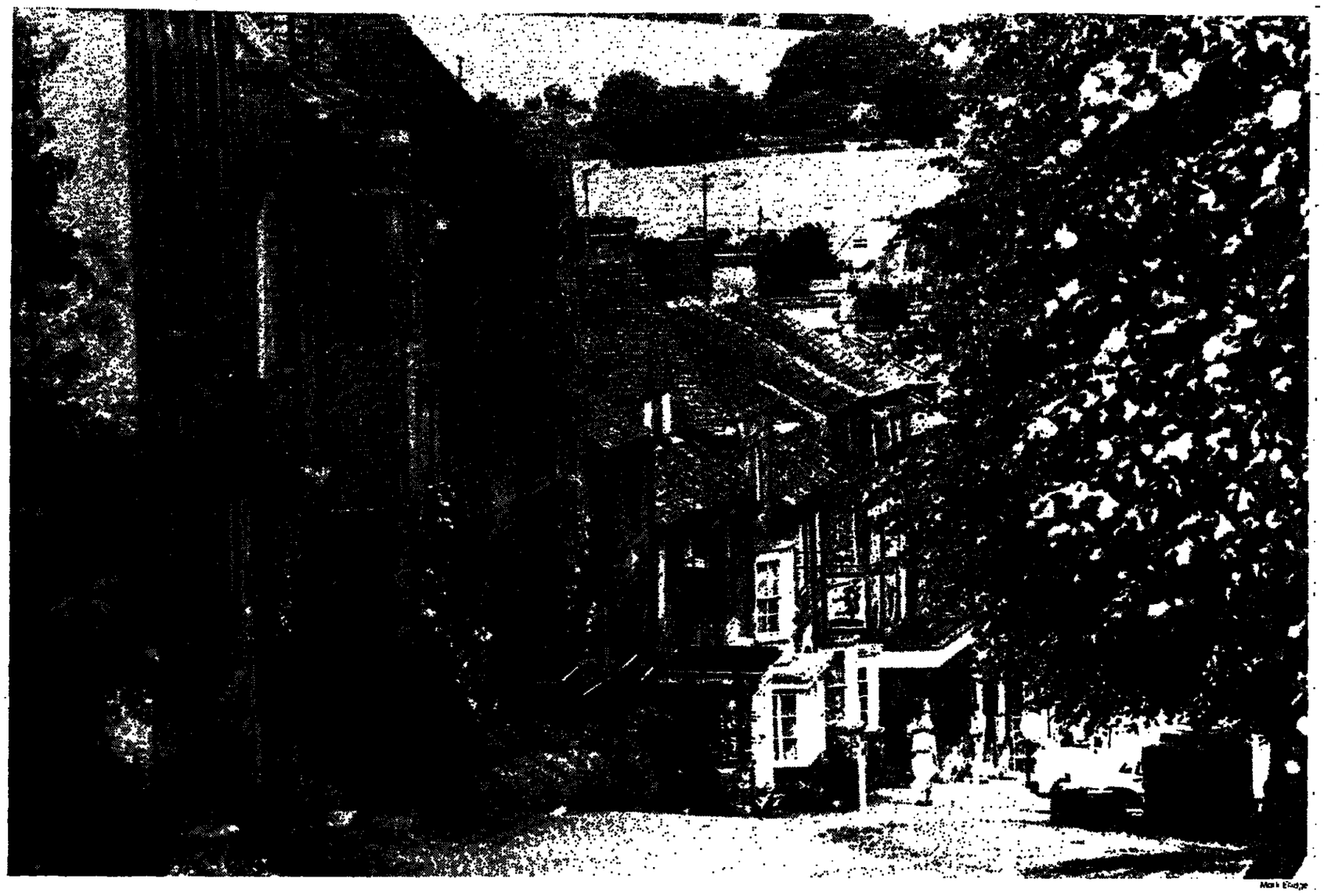
...ikers in England will find only a few vineyards, but ...hose who are drawn to the byways of the Cotswolds ...Vicky Elliott's article on this page), the quiet lanes ...hropshire, the romantic routes of Shakespeare country ...the high Pennine trails, there is a new color bro...e. Published by the Heart of England Tourist Board, it ...signed for the novice, the enthusiast and the family. ...d "Cycling," it describes 21 individual circular routes, ...ing from day tours of 35 miles along open roads ...through gently rolling countryside, to a complete Heart ...ngland circuit of 320 miles. All routes have been se... to pass through interesting landscapes and visitor at...tions and each route features pubs (most now serve ...onable wine as well as warm beer), tea rooms and pic...spots. All routes are designed to start and end at ...way stations, and the brochure tells where to rent bicy... and where to get more information. This free bro...re may be obtained from the Heart of England Tourist ...rd, Trinity Street, Worcester WR1 2PW, England. ...(905) 613-132.

...n the tiles

...ortugal is justly famous for its beautiful ceramics, in ...ticular the colorful tiles known as *Azulejos*, which deco... walls and floors everywhere. Now the Portuguese ...rist organization, in collaboration with Caixa Geral de ...positos, the state bank, is offering a brochure that ...bles the traveler to follow a trail of these treasures and ...dy the history of the country from the 15th century ...he same time. "The Route of the *Azulejos*" (the word is ...ived from the name of the semi-precious stone lapis-...uli) suggests that a student of the art start with the pal... at Sintra, near Lisbon; it offers a map and small ...de to the myriad other sites — churches, palaces and ...uses — where ex...mples may be found. ...e beautifully illus...ted brochure, which ...o incorporates a ...p can be obtained ...e from Portuguese ...rist offices and ...anches of the bank ...Portugal. For the mo...ent it is published ...ly in French, but if it ...successful, publi...tion in other lan...uages may follow ...xt year.

...ennine perspective

What great thoughts run through the mind of the ...e traveler as he or she plods, or climbs, or battles with ...e elements? A curious insight into the mind of a pre...orld War II Englishman is enshrined in the 1938 journals ...A. Wainwright, a well-known writer about the En...sh countryside. "A Pennine Journey" is his personal ac...unt of a two-week walk, in the penultimate summer ...fore the war, through the idyllic and beautiful landscape ...the English Pennine Mountains, the range that runs ...wn the north of the country from Hadrian's Wall like a ...gged spine. Wainwright was so elated and restored by ...e expedition that he wrote an account of it soon after his ...turn. It then lay in a drawer, from whence it has been ...humed and offered for public consumption. Through his ...phoric descriptions of scenery and birdsong and a ...uching account of rescuing a rabbit from a snare, he ...eaves his views on a breed he refers to as "the ladies, ...ess them." The "ladies" are not creatures of imagination; ...has not yet witnessed genuine enthusiasm in any of ...em; they have not the same rigid standards as men, nor ...same loyalty; he abhors the "grotesque creature who ...ms for equality with men," and reckons that women ...o enter into marriage resolved to have no children ...ould have a whip across their backs." And so on — al...ough there is in his mind's eye one saintly, unnamed ...ception to these rules. Wainwright has resisted the temp...on to edit or rewrite with the benefit of 50 years' ...dsight, so the work has a special period poignancy. One ...d but hope he found that his later travels (he is the ...thor of more than 40 guidebooks) did something to ...readen the mind. "A Pennine Journey" is published by ...chael Joseph of London at £9.95.



Mark Elledge

Burford, a Village of Golden Stone

by Vicky Elliott

BURFORD, England — There is only one street in Burford, approximately speaking, and it descends steeply, graven into the hillside that slopes down to the River Windrush. A gazetteer of 1819, "The British Traveler," was not impressed: "The houses are ancient, and with few exceptions, irregular and ill-built," it sniffed. The 20th-century traveler, with a less rigorous conception of architectural order, may see things differently.

The railways never came here, deterred by the first reaches of the Cotswold hills, so Burford's plunging perspective remains almost as it was in 1819, give or take an odd Barclays Bank or Huffkins, haven of Homemade Cakes. To the modern eye, the snug curve of the storefronts, cockeyed windows notwithstanding, has a pleasing harmony. The Cotswold stone, peculiar to this small stretch of Oxfordshire and Gloucestershire, is golden on summer evenings and greenish-gray under muffled winter skies. All around are hills and water meadows, and the flocks of sheep that made the town rich in the 13th century, a center of the English wool trade.

Burford makes an obvious jumping-off point for any exploration into the Cotswolds, to the celebrated village greens of Bibury and Broadway, the leafy calm of the villages of Upper and Lower Slaughter, not to mention Upper and Lower Swell, and the high-kitsch aviaries and model village of Bourton-on-the-Water.

The 1819 gazetteer notes not only that the town was "formerly much occupied in the manufactory of coarse woolen cloths" — the last of the famous Witney Blankets are being made down the main road — but that "great quantities of malt were made here and conveyed to London."

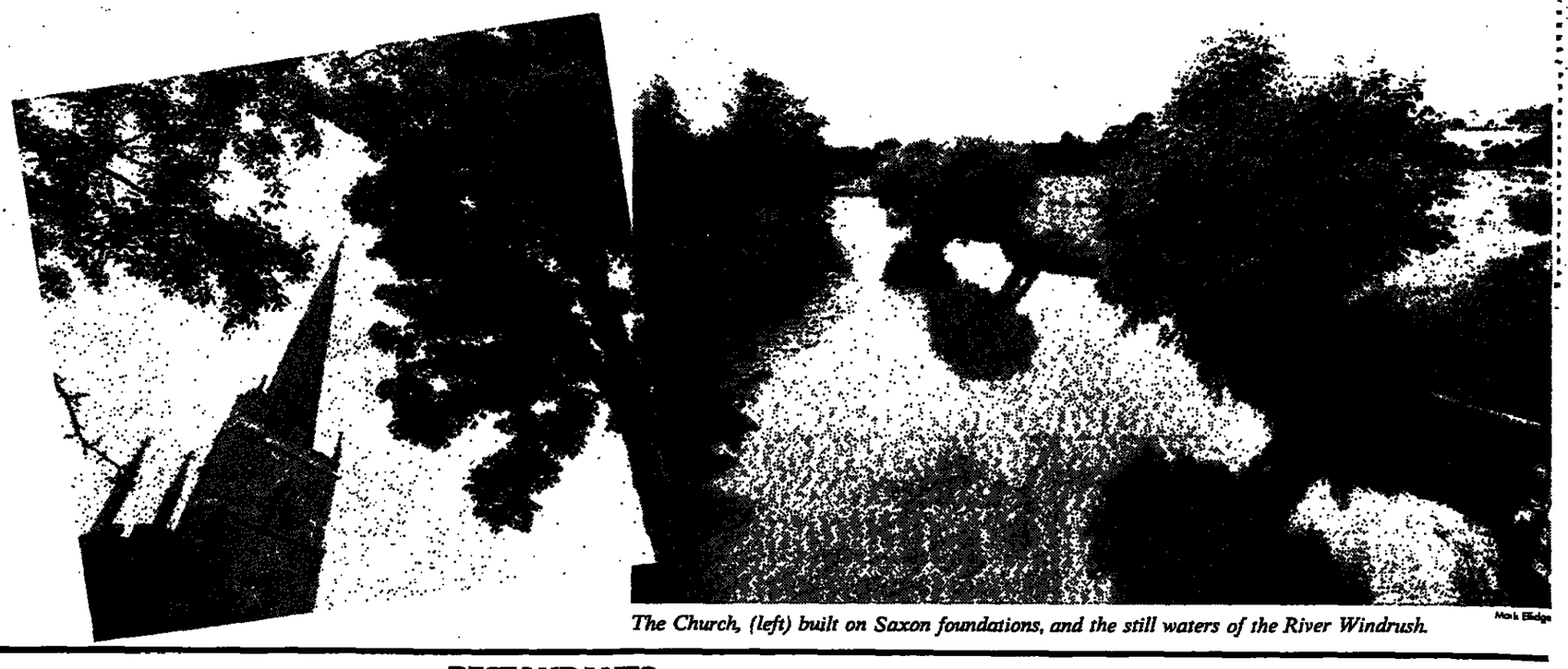
Burford's vocation as a watering place is not yet over, though it no longer musters quite the ratio of inn to inhabitant that it did in the 18th century, when 39 coaches a day passed through on their way to London, Cheltenham or South Wales.

The George, which had pride of place when Charles II stopped for the Burford races with Nell Gwyn, is gone. Bear Court and The Ramping Cat are gift shops and the Red Lion is now a bookstore, but The Lamb, The Bull and The Bay Tree are among the considerable choice of modern taverns, still serving venison, potted brown shrimps and Afternoon Cream Teas, and affectionately remembered by Americans once stationed at the nearby air force base at Brize Norton.

The Golden Pheasant, very English nouvelle, runs to such extravagances as "Terrine of Veal wrapped in Smoked Bacon and served on a sauce of Blackcurrants" and the more prosaic "Traditional English Hand Raised Individual Pork Pies." The Lamb, more venerable, has a delicious garden of six-foot lupins and is "Licensed in pursuance of an act of Parliament for public music and dancing or other public entertainment of the like kind" — an implausibly imaginative description, since the public music most likely to be heard in slumbersome Burford is from its resident family of classical cellists. The Bay Tree, which specializes in Cordon Bleu cooking and various species of two- and four-poster beds, stokes five log fires in winter.

At The Bull, which pulls rank as "the oldest and most historic inn in Burford, est. ca. 1475," I was once served with the

Continued on page 10



The Church, (left) built on Saxon foundations, and the still waters of the River Windrush.

Mark Elledge

RESTAURANTS

The Subtle, Spicy Delights of the Indonesian National Dish

by Barbara Crossette

JAKARTA — *Nasi goreng: Two words* will help the visitor stave off hunger anywhere in the vast and varied nation of Indonesia. From Islamic Banda Aceh, at the northern tip of Sumatra, through the ancient civilizations of Java and Bali to the edge of the wilderness of Irian Jaya on New Guinea, there are many Indonesian cuisines but few national dishes. Nasi goreng is the best of them.

In Bahasa Indonesia, the national language, which helps hold all this diversity together, *nasi goreng* means fried rice. But that's just a translation of convenience. A good nasi goreng is no ordinary plate of staple food. It is a complete meal of flavors and spices, garnishes and accompaniments.

The locale and budget set the limits and dictate the variations, but most good nasi goreng will include a bit of fish or meat, often a fried egg (called *mata sapi*, or cow's eye), a tiny bowl of pickled vegetables called *acar*, and a crisp, weightless prawn cracker (*krupuk*) on top.

Indonesia's national dish can be enjoyed in its simplest manifestation from a tin plate at a roadside *warung*, or food stall, eaten on porcelain in fancy restaurants, or constructed at the ubiquitous buffet tables of Jakarta dinner parties. The national airline, Garuda, will be sure you don't miss it in the sky; you could be served it for breakfast, lunch, dinner — or all three. Looking for a midnight snack? You guessed it:

The regional cuisines of Indonesia have greatly influenced nasi goreng, according to Guritno, a Javanese chef at Jakarta's Borobudur Inter-Continental Hotel, where the national dish, well prepared, is always on the menu.

In Sumatra, where, to qualify as tasty, spiced food has to sear the system from the lips down, the dish may have a larger share of chicken and hot peppers, Guritno said. In central Java a beaten egg and soy sauce may be added. In Jakarta there will be a hefty dose of garlic and fried shrimp, as well as a few sticks of *satay*, skewered meat or seafood to dip in peanut sauce.

With the international palate in mind, Guritno said he sampled all the nasi goreng he could before inventing one of his own. "I needed a nasi goreng that was not too hot for the foreigners, but not too dull so Indonesians would eat it," he said.

Guritno's family-sized nasi goreng *istimewa*, or special, starts with about two pounds of cooked rice that has been allowed to cool. "The best nasi goreng is made from cold cooked rice," he said. "That's the secret."

Setting aside the rice, he heats oil in a heavy pan large enough to take all the rice (any good cooking oil will do) and adds five and a quarter ounces of chopped shallots, an ounce of garlic and an ounce of chopped leek. When these have been sautéed to a golden color, he puts in eight and three-quarters ounces of diced cooked chicken, the same amount of chopped cooked shrimp, "a little" tomato paste for color and "a little" chili for zest. Being Javanese, he then adds three beaten eggs and soy sauce.

When all these ingredients are hot, he adds the cold rice and salt and pepper to taste, then stirs until all is hot and "nicely mixed."

Nasi goreng can be served on a large platter or on individual dishes, spooned or turned out of a mold. On top of each serving, Guritno puts a fried egg, some lightly sauteed shallots and a weightless prawn cracker. Alongside the rice he places several sticks of *satay* (broiled or grilled after being marinated in a mixture of garlic, shallots, oil, sugar, salt and pepper), a piece of chicken fried with a secret spicy sauce, and a fried shrimp or two.

As accompaniments, the dinner gets Guritno's own *acar* — cucumbers, carrots and shallots marinated in vinegar and sugar — plus a helping of *sambal* (ground chili peppers).

Most Indonesian food is spicy, but visitors can help avert disaster by learning to ask for the right degree of seasoning. Eating too-hot food is probably the commonest cause of intestinal upsets in many parts of Southeast Asia.

You can order nasi goreng *sedikit pedas* (a little spicy), *pedas* (spicy; the word means "hot" in the sense of seasoning) or *lebih pedas* (a little hotter than hot). For the really reckless there is *paling pedas*, in which the peppers are of roller-coaster strength.

A possible beverage accompaniment is the lager the Indonesians learned to make from the Dutch. The best-known local beers are Bitang and Anker. ■

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THE FREQUENT TRAVELER

Canadian Line's 'Big Seat' Takes On the Class System

by Roger Collis

A Canadian charter airline, Wardair, has come up with one of the most imaginative deals for the business flier since business class was introduced a decade ago. Called the "Big Seat" option, it offers standards of comfort and in-flight service comparable to the business class of many airlines but at about half the price.

Toronto-based Wardair launched the Big Seat to coincide with its first scheduled services, on Canadian domestic routes and between Canada and London, which began May 1. The idea is breathtakingly simple. It's also likely to be seen as heretical by airlines for whom the full-fare-paying executive is a captive market representing about 40 percent of traffic and 60 percent of revenue.

Instead of dividing the cabin into conventional economy, business and first class, Wardair has a single standard of cuisine and service — which it calls Wardair Class — throughout the plane. Regardless of how much you've paid for your ticket, you can trade up to the Big Seat for a one-way supplement of 50 Canadian dollars.

Wardair's Big Seat is not the biggest seat in the sky (the honors seem to go to the Ambassador Class seats on TWA's 747s, which are 24.25 inches wide between armrests) but it should provide enough Lebensraum for most people. It has an 18.75-inch-wide cushion and a pitch of 38 inches; the business-class seats of Wardair's main trans-Atlantic competitors, Air Canada and British Airways, have 24-inch cushions and 39-inch pitch, and 24-inch cushions and 36-inch pitch, respectively.

Wardair has installed 41 Big Seats in the front section of its DC-10s (in a 2-2-2 configuration) and 16 in the upper deck of its 747s (in a more intimate 2-2 configuration). Although the Big Seat sections are quieter and more comfortable (especially in a 747) and have their own toilets, the food and service are the same wherever you sit. There is free bar service throughout the flight; meals are served — each course separately — on Royal Doulton china with linen-covered trays and stainless-steel cutlery. You get an appetizer, a hot main dish (the choice always includes a filet mignon cooked to your taste) and cheeses and desserts from the trolley. About the only thing you don't get is champagne.

"We spent a lot of effort trying to design a business class," Brian Walker, Wardair's senior vice president for sales and marketing, said in a telephone interview. "We simulated dry runs in the hangar and on the ramp. But we didn't feel happy with it. Because we believe that our present service is of a high standard, we felt we really had to exceed that in order to be able to charge people more. What we ended up with was awfully close to first class in a business section. Corporately we had a real problem: It didn't match up with what we're trying to do. So we said, why don't we just drop all this and go for the Big Seat, which is what all our research showed the consumer wanted most — more comfort and a little quieter, businesslike approach without paying a chunk of money."

George Curley, president and chief operating officer, said: "Our philosophy has always been that if you can build a better mousetrap and charge a little bit less for it, you don't have to worry about the future. Food itself is not that big a part of the cost, so why not buy the very best? And keep it simple. We just served steaks for the first 10 years. Give the very best you can give and you'll stay in business."

It's a philosophy that has served the airline well. Wardair was founded in 1953 by Maxwell Ward, a wartime pilot and one of the legendary entrepreneurs of aviation, who at 65 commutes from Yellowknife to serve as chairman and chief executive officer ("A perfectionist, to say the least," said his son Kim, who is vice president for customer services). The carrier has built a formidable reputation for quality at reasonable prices. As a charter carrier it has won accolades in several passenger surveys. In 1985 Wardair and Swissair were rated best overall in a poll of 29 airlines by Holiday Which magazine, published by Britain's Consumers' Association. It is Canada's third-largest carrier (after Air Canada and Canadian Pacific Airlines), serving 36 destinations in Canada, Europe, the Caribbean, Mexico, Florida and Hawaii.

"We're running 22 flights a week between Canada and Britain, which makes us the largest carrier in that market in terms of passengers," Curley said.

With cutthroat price competition in the charter business, Curley is looking to scheduled services to boost the airline's plane-mile yield.

Walker said the Big Seat was popular with charter passengers as well as executives who wanted more room to relax or work. It is not a class but an inflight option, he insisted.

Most people will agree that value in air travel bears little relation to how much you pay. Take first class: You can stretch your ego as well as your body on a fully reclining sleeper seat, but however much champagne and caviar you consume, is it worth a one-way premium of $1,000 or more over business class on a trans-Atlantic flight? Business class can cost 25 to 30 percent more than full economy and more than three times what an APEX ticket costs. To be sure, there are degrees of comfort, but after all, everyone arrives at the same time. What Wardair has done with the Big Seat is challenge its competitors to justify the high prices they are charging, striking at the very heart of the airline class system.

"The businessman has been neglected for years in terms of getting fair value for money," said Walker. "There's a terrible disparity between leisure and business fares. Our competitors don't want that one-way traveler, who they see as the foundation of their business, to get any breaks."

With airline deregulation gaining momentum in Canada, Wardair has had a free hand to set lower fares on its new scheduled domestic routes. "We brought fares down at an introductory level to 50 percent of today's Air Canada or CPA fare," said Kim Ward. "We'll end up with fares at 66 to 70 percent of today's full economy with the option of the Big Seat."

"Domestically," said Walker, "we have no problems. We're running an average load factor of 95 percent. And on charter flights on the Atlantic, the Big Seat is selling out."

Where Wardair does have a problem is on its scheduled services between Toronto and Gatwick, which call variously at Ottawa, Vancouver, Calgary and Edmonton depending on the day of the week. Under an agreement between Canada and Britain, fares must be agreed upon between Air Canada and British Airways and approved by both governments. Wardair, as Canada's second designated airline on the route, is seen as breaking the rules with its Big Seat, which its competitors claim is a new fare, not an option.

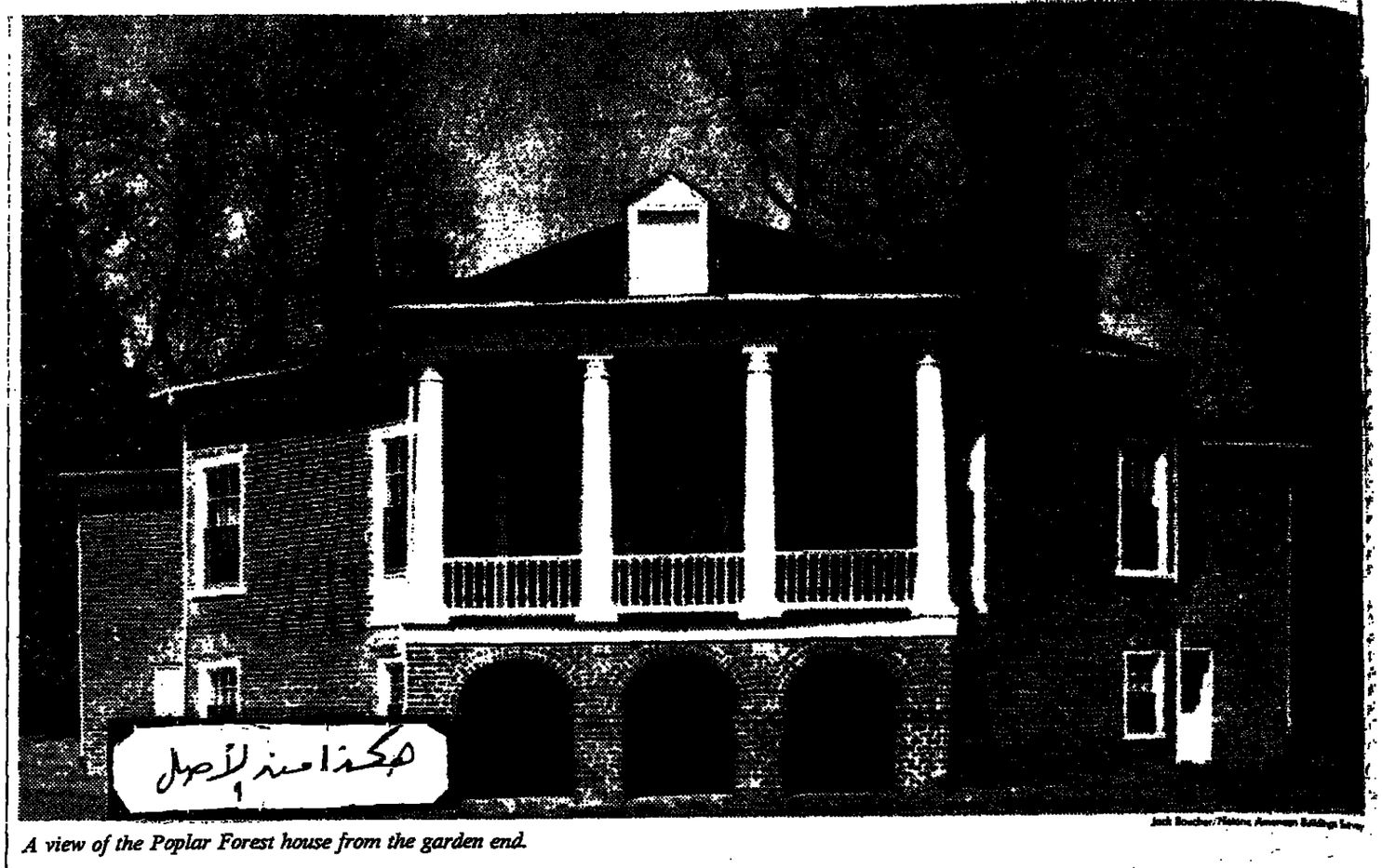
Walker said BA had gotten a "cease and desist" order on the Big Seat for trans-Atlantic flights, "which means we can give it away but no longer sell it at a premium until we've filed it as a fare type and reached agreement with our trans-Atlantic partners. We're clearly not going to get an agreement; they've deferred a meeting until July 17 to even discuss it. We'll end up doing a unilateral filing to the Canadian government, who will approve it, and the Brits will turn it down. We have to face the fact that British Airways only wants to compete on its own terms."

"We're not afraid of competition," said a British Airways spokesman in London, "but the rules are that airlines have to agree tariffs beforehand."

When you look at the tariffs you can see BA's problem. Toronto to London one way costs 2,060 Canadian dollars in first class, 1,250 in business class and 1,015 in economy. For 650 Canadian dollars you can buy a point-to-point flexible economy ticket that does not allow stopovers or interlining with other carriers. The cheapest round-trip excursion fare costs about 600 Canadian dollars. With the Big Seat option, before the cease-and-desist order you could take a round trip in business-class comfort for about 700 Canadian dollars.

Wardair's dilemma is whether to continue to give the Big Seat free to full-fare-paying economy passengers on trans-Atlantic flights, or negotiate a new class fare. "But we won't go to 1,250 dollars," Walker said. "You don't need to charge that kind of money." ■

Wardair's rule: Charge less for a better mousetrap.



A view of the Poplar Forest house from the garden end.

Thomas Jefferson's Perfect Mansion

by A.L. Rowse

LYNCHBURG, Virginia — All the world knows Jefferson's Monticello, the grand mansion he built for himself near Charlottesville, Virginia. But few people know his hardly less beautiful rural retreat at Poplar Forest, near Lynchburg, about 90 miles from Monticello. Though much smaller, it is no less original, and, from a strictly architectural point of view, even perfect.

It is a masterpiece of compact design, an octagon imposed upon a square, and it was the darling of the later half of Jefferson's career, after his retirement from the presidency, when he could give himself up to looking after his two estates and the country pursuits he loved best.

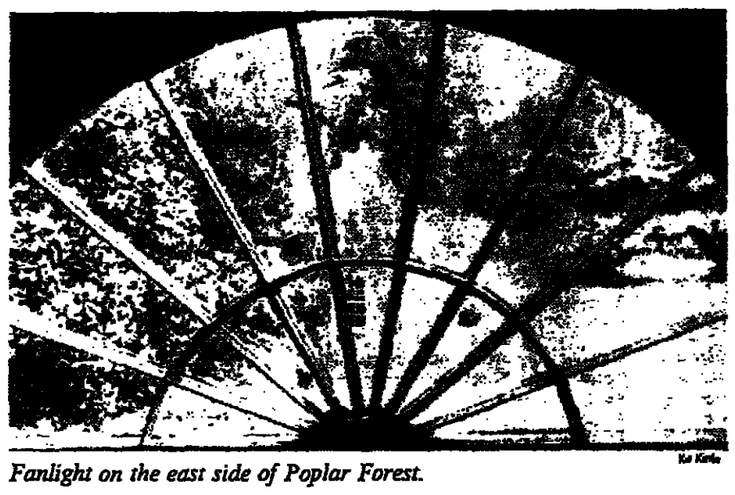
The house at Poplar Forest has come down to us substantially unimpaired after nearly two centuries. Naturally, this exquisite creation is in some disrepair, with peeling paint, and very nearly empty, though it probably needs only a tithe of what has gone into maintaining Monticello. But Poplar Forest deserves restoration to its original beauty, and there are plans to bring this about; if they are accomplished, the house will prove not only Lynchburg's Monticello but an additional jewel in the crown of the nation.

Poplar Forest, an estate of about 4,000 acres (1,600 hectares), came to Jefferson as part of the inheritance of Martha Wayles Skelton, whom he married in 1772. She was the daughter of the English-born John Wayles, who had made a fortune out of his law practice. Though Jefferson did well for himself by this marriage, it was a love match. He was stunned when Martha died at 33, and he never married again. They had six children, but only two daughters lived to maturity and to bear grandchildren.

The estate was a fine one, constituting, with its farms, almost half of Jefferson's total 10,000 acres, and it demanded a suitable residence once he had time from public cares to devote to it. It provided a source of happiness and an outlet for Jefferson's creative energies in his later decades.

It also gave him relief from the intolerable burden of hospitality, the interruptions to his work that he suffered at Monticello. Jefferson was a kind-hearted man, hospitable to a fault. People arrived in scores, and he never seems to have been able to send anyone away; hence they and their servants and their horses ate him out of house and home. As president he could get to Poplar Forest only once a year; later he was able to retreat there, usually three times a year, once at least four times, for weeks on end.

When one goes there today one sees the two sides to his genius: the classicism of the 18th century in the architecture, the romanticism of the later 18th and early 19th century in his landscaping and gardening.



Fanlight on the east side of Poplar Forest.

The drive from the entrance pillars on the main road is classically straight — more than a quarter of a mile, I judge, right up to the porticoed front of the house, today shaded and somewhat veiled by a tall growth of boxwood, with its aromatic scent. As green wings to the house Jefferson planted 13 poplars symmetrically on each side. He was particularly fond of poplars as they had something of the formal character of the cypresses he admired in Italy.

On the south side of the house, which has another fine, columned portico, one sees the romantic side of his landscaping: It follows the natural contours and slopes, with its lawns and wide view opening out. What an aesthete he was! What an unsleeping sense of beauty! Even the "necessary houses," as people called the privies, are beautifully designed as octagonal garden temples (the concept of the octagon runs all through Poplar Forest, in both house and garden).

The rose-red brickwork is exquisite everywhere, as at Monticello — technically, long and short bricks, bonded by cement of which the lime was made of crushed oyster shells. Bricks were burned on the spot; everything was homemade by his master craftsmen under the watchful eye of the designer. The little temples are disguised from the house by mounds he had raised and planted up.

When you enter the mansion you are in tune with Jefferson's mind: We remember that he did not like wasting space on grand staircases, and the plan is a completely integrated conception pivoted upon a central hall, which was the dining room. In his day it was a tall cube, lighted at the top with a several-sided skylight.

In the 19th century a mezzanine floor was inserted to make bedrooms above. It will take rectification to restore this central feature of the house to its original nobility. On each side, relatively undisturbed, are two long octagonal rooms (three-sided at each end). The one on the south was Jefferson's, with windows leading out on the porch; the other was often occupied by his granddaughters or his grandson, Francis Wayles Eppes, to whom he left the house and estate.

I expect that in this big room Jefferson kept his books, for he could not do without books for company; at Poplar Forest he always kept a library of 70 to 100 volumes, small editions of the Greek and Latin classics. There would be his polygraph for duplicating his writing, and his usual gadgets — for he was very gadget-minded. He had a particular fondness for mathematics, and for planning and designing. When away from Poplar Forest and ordering work done, he would send exact specifications, to a half or a quarter of an inch. If it was not right when he came, it would be altered. One can see in the kitchen the brick wall had been laid up to a few feet by his craftsmen; when he came to see it, he had it altered by an inch.

At the rear of the house — or, should we say, the south front — he had the slope leveled off for his lawn. There is a basement story on this side, into which the Squire, as they called him, did not descend, and which was never finished. The living rooms of the house are all at one level, and the whole scheme, front and back, merges well with the garden design.

For the journeys from Monticello to Poplar Forest, Jefferson took the slightly longer route south of Lynchburg, where there were fewer gradients. Sometimes it took three days, sometimes two, according to the weather and the state of the roads. He traveled in some state, latterly in a landau pulled by four horses, led in couples by postillions, another postillion riding beside, and his confidential servant behind; then a wagon with provisions, furniture, equipment, whatever was immediately needed.

While president, Jefferson visited Poplar Forest in 1805 to lay out a tract of land for his son-in-law that was to come eventually to his grandson. In August 1806 he laid the foundations of the house he had planned. He wrote from Washington to his daughter Martha Randolph, who often kept house for him in the capital and at Monticello, that he could not stop at the latter, for his able carpenter could not accomplish the specified work at Poplar Forest without his presence.

In September the next year he made an eight-day trip to see how things were going; in 1809 he was able to stay in the house. Two years later the internal plastering was done, and he gave his instructions for the decorative moldings. Poplar Forest took a decade to finish (except for the basement), not a generation as Monticello did.

By 1811, with the presidency behind him, he was free to spend much more time at Poplar Forest. In the summer of 1814 he did not hesitate to describe his handiwork as an "excellent house." He valued the house as worth $10,000 or more when complete.

By 1824, Francis Eppes had taken over his inheritance. In February of the next year there was a fire at Poplar Forest. Francis had taken the opportunity of a snowfall to burn the chimneys that were foul with soot, but wind blew the snow off and the fire caught the balustrade and the bottom of the platform. All hands were a mile off in a tobacco house. About 2,000 shingles and the balustrade, railing and terrace were gone.

Jefferson was at once ready to help, and inquired into every particular concerning joists and cornices.

Jefferson died on July 4, 1826. In 1828, Francis sold the house to William Cobbs of Lynchburg. From Cobbs the mansion passed to the Hutter family. In 1845, fire struck again; it would have been then that the Victorian alterations were made and the balustrade removed. These features are easily replaceable. We have reason to be grateful that this exquisite mansion has been preserved essentially as Jefferson designed it. ■

A.L. Rowse, emeritus fellow of All Souls College, Oxford, and the author of many books on Shakespeare, wrote this for The New York Times.

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Village

Continued from page 9

tenderest broccoli a matching green and supremely healthy caterpillar. The journey from the vegetable patch to the table in this town can be short.

For a salutary lesson in the diet of earlier residents of Burford, one can stop by the half-timbered Tolsey Museum, which asks 20 pence admission, proportionately less than must have been demanded from passing travelers when the Guild of Merchants collected tolls from the building. A current exhibition on medieval Burford (which figures in the Domesday Book as the fiefdom of the warrior bishop Odo of Bayeux) gives a sobering account of food at the time of the Norman conquest, in somewhat medieval spelling: "Diet Farinacious: Course Dark Bread, Oatmeal Pottage, A few Vegetables, Wild Fruits available, and Copious Draughts of Weak Ale."

Other treasures on show include a pair of shoe buckles and a pleated shirt that belonged to Warren Hastings, who was born near Chipping Norton; blue and white beer jugs from the Swan Inn; a splendid doll's house with an 18th-century household of footmen and bonneted ladies; Roman quern stones and neolithic ax heads; and a skirtlifter dating from 1876, which enabled a lady to grip the hem of her robe with its tongs and raise the skirt out of the mud.

The Romans did not live in Burford, though they left the arrow-straight Akeman Road nearby and a villa near the Barringtons; sharp-eyed collectors have recently found sestertia and other finely minted Roman coins at Asthall, three miles away. Perhaps the most rewarding of the hundreds of country walks in the environs of Burford is to Widford, a Domesday village that died out, leaving the exquisite Church of St. Oswald in the middle of a field, with burnt siena murals dating from the 14th century.

At Swinbrook, where the daughters of Lord Redesdale — the famous Mitford sisters — grew up, the church now sprouts the tombstone of the writer Nancy, blazoned with a duck-billed platypus, as well as the famous Fettiplace effigies, a stack of elegantly ruffed and lacy Tudor and Stuart gentlemen resting indolently on their elbows. "The Tracys, the Lacys and the Fettiplaces/ Own all the woods, the parks and chases," ran conventional Cotswold wisdom of the day.

The Fettiplaces died out, as did the Sylvesters and the Pinnocks and Cakebreads, good Burford stock all, but there are still some Pittaways left to carry a name inherited from the stonemasons who built the area's beautifully crafted houses. A pittaway was a slate pick that helped split the stone for roof tiles, laid small at the crest and broad at the base; the steep roof of an average house weighs a quarter of a ton.

The oolitic limestone from quarries at the villages of Taynton and Upton made its way to some of the most distinguished buildings in England — first to the colleges of Oxford and to Windsor Castle, and then, after the Great Fire of London in 1666, to many of the new churches of the City of London and to the great dome of St. Paul's Cathedral. Christopher Kempster, master of the Worshipful Company of Masons and subcontractor to Christopher Wren, left his mark in Burford with his house at Kit's Quarries and possibly the Old Rectory in Priory Lane.

Burford has its own monuments, foremost the church, built on Saxon foundations and elaborated upon as the wool trade fattened on the thick fleece of half a million sheep. The curious rounded tombs before the front portal are shaped like wool bales. Inside, Edmund Harman, barber surgeon to Henry VIII and witness to his will, put up a monument to celebrate his good fortune. It incorporates the earliest representations in all England of native Americans — dashing Amazonians in feathered headdresses that appear to have been copied from a book of French proverbs.

The Bay Tree - stokes five log fires in winter

The most ostentatious monument is that of Sir Lawrence Tanfield, Lord Chief Baron of the Exchequer for 20 years and scourge of the town. High-handed and grasping, he bought into the manor in 1617 and proceeded to make himself roundly unpopular by undercutting the customary privileges of Burford's burgesses. His wife left such an impression that residents of the almshouses by the church were still pouring buckets of water into the river during 19th-century droughts because it was said she would return to haunt the town in a fiery chariot if the Windrush ever ran dry under the third arch of Burford Bridge.

Tanfield's house, the Priory, whose chapel has a fine carving of Moses's burning bush, is now the home of a silent order of Anglican Benedictine nuns and longer open to the public, though one can gaze from the other side of the lawn on its handsome facade. There was a murder in the grounds in the 17th century, and the story goes that when the first sisters came to look over the place in the 1930s the shade of a monk flatly indicated to one that she was not to park the car in the drive.

Tanfield's successor as lord of the manor, William Lenthall, was a more attractive figure. It was he who as speaker of the Long Parliament dared to bar entry to Charles I when he came looking to apprehend five members of Parliament for treason. With a nice sense of his own worth, Lenthall insisted in his will that his grave be marked by no more than the inscription "Vermis sum," or, "I am become a worm." That stone was broken up during 19th-century restoration work that aroused the ire of William Morris and inspired him to start the "Anti-Scrape Society" for the Protection of Ancient Buildings.

Burford's moment of high drama came in 1649, when the Levelers, a band of radical and mutinous soldiers unimpressed by the extent of Cromwell's attempts at reform, were driven into Burford and held prisoner in the church overnight. One soldier left his mark on the font, carving with his dagger: "Anthony Sedley, Prisner." Three mutineers were shot the next day after a dressing down from Cromwell himself, which effectively quashed the rebellion.

Drama in Burford today spins around the annual fête and the bridge parties and the debate around the question of the highway bypass, which might wreck some lovely countryside but would help relieve the press of traffic off the majestic High Street. Other social occasions in the neighborhood include James Fletcher-Watson's annual exhibition of masterly water-colors in the village of Windrush, and such events as the Social Evening on Windrush Village Green (In the Hall if Wet). This is, after all, Deep England. ■

TRAVEL

SHOPPING

Paris ♥ Americans

by Jean Rafferty

PARIS — That endangered species the American tourist is being given red-carpet treatment in Paris this summer. The formerly snooty natives, whose luxury businesses from hotels to restaurant to jewelry and perfume have distinctly suffered from a lack of Yankee custom, have turned friendly.

"We've never felt more welcome and accepted in France," said David and Karen Wegmann, San Francisco bankers who, on a last-minute trip, were able to stay at the Crillon and eat at the best restaurants without having reserved months ahead. Though for Taillevent one must still think a month in advance (last year it was four), in many other restaurants one can book the same day, for lunch if not for dinner, and such grand hotels as the Ritz, Plaza Athenée, Bristol and Crillon are going all out to court Americans.

A Crillon spokesman, Thierry Taittinger, called it "a grand operation of seduction."

"The rarity of Americans has affected the French," said Jean Bergeron, *délégué-général* of the Comité Colbert, whose recent survey reported that the business of some Comité members — the most prestigious exporting companies in France — was down as much as 50 percent from last year. "It has taken away some of their arrogance," Bergeron said. "This year they are much more prepared to negotiate."

Though there is nothing so obvious as talk of discounts in the discreet world of luxury, that is what is going on. Taittinger referred to the Crillon's policy as "proposing better conditions." The key word is *prix*, as in *prix d'ami* (a friend's price) or, best of all, *prix spécial*.

Michel Ermelin of the *haute joaillerie* store Verney in the Place Vendôme took calculator in hand, explaining what he meant by the "special price" he was proposing to "Americans kind enough to come to Verney": A black-gold necklace with a pear-shaped emerald normally costing $33,000 will be only $17,000 for Mr. and Mrs. America.

What to buy under these unprecedented circumstances?

The French woman's accessories and the way she puts them together have made her an unrivaled standard of elegance. Right now, in the lull between the summer sales and the autumn collections, is a wonderful time to seek these accessories out.

This season, more is more chic. Why wear one watch when your arm can take two or three? It's *très snob* to have watches in sync with different cities — New York, Paris and Tokyo, for example. Hot buys: the celebrated phases-of-the-moon Breguet from Chaumet, Givenchy's new "Shanghai" watch with ancient Chinese numbers, Jean Dinh Van's watch modeled after the black-and-white Paris street clocks, Pascal Morabito's brand new double-faced watch with gold and Roman numerals for night reversing to steel and Arabic numerals for day, and the Hermès "Kelly," a padlock watch on a leather strap inspired by the famous handbag.

Another fad, the rage with the lycée set of both sexes, is wearing a small bandana wrapped and tied around the wrist. Hermès has just launched an upmarket version, the *gavroche*, priced at 210 francs and printed with the house's unmistakable motifs. It was an instant sell-out; new stocks are due in soon.

Hermès, like Chanel, has been less affected than some houses by the missing tourists. "Our kind of Americans are still coming," said its president, Jean-Louis Dumas-Hermès.

In the Place Vendôme and the Rue de la Paix, spectacular stones, impeccable quality and imaginative design have given Parisian *haute joaillerie* an undisputed reputation. What to look for:

Cartier — The smashing jeweled panthers created by Louis Cartier in 1919, back in force in the new collection. A show-stopper is a 42-carat emerald supporting a small jeweled panther. Very Duchess of Windsor.

Jean Dinh Van — Masterful simplicity in thin gold bracelets. A perfect lapis and gold bead necklace also comes in gold and black or white pearls or other semi-precious stones.

Boucheron — Rock crystal mixed with precious stones, as in a necklace, earrings and rings made of cabuchon rubies and rock crystal. The new "Magic Clip" of rose quartz and blue topaz is transformable into clips, earrings or necklace.

Van Cleef & Arpels — Invisible settings of diamonds, rubies or sapphires, and, in the boutique, new marquetry clips and shagreen bracelets.

Manboussin — Rings, such as "Nadia," which combines precious stones with white or black mother-of-pearl. New double wedding rings with bands of diamonds, sapphires or rubies are a hit.

Chaumet — "Pierres d'Or," wonderful cabuchons of gold surrounded by precious stones. In the boutique, great double-banded "Lien d'Or" gold bracelets and necklaces.

Verney — A new direction in jewelry design, expressed in a necklace of raw emeralds banded in sapphires or a torsade of tiny black pearls with a giant baroque pearl pendant inlaid with a ruby.

Place Vendôme prices go from the reasonable (Verney starts at $500, Dinh Van at 200 francs, or about $30) to the stratospheric (Cartier's panther and emerald is tagged at $260,000, Verney's raw emerald necklace is 1.6 million francs. Many of the prices are quoted in dollars).

The Avenue Montaigne is another accessory hunting ground:

Christian Dior — This house, which had a chic Statue of Liberty over the door last week clad in a couture dress of U.S. and French flags designed by Marc Bohan, has such a selection of men's, women's and house presents that it is almost a designer department store.

Nina Ricci — New are sensuous silk satin lingerie designed by Marie-Claire Ricci and a men's boutique designed by the president, Robert Ricci, featuring matching shirts and boxer shorts. Sheer indulgence comes in a 10-ply cashmere crewneck, 5,100 francs.

Jean-Pierre Pavillard

This year, more is more chic. Why wear one watch if you can wear two . . or three?

Manuel Canovas — This fabric designer's fabulous flowers bloom on shoes, belts, shirts and skirts as well as linens. Beach towels, pareus and bags sport watermelons, strawberries or hibiscus. From 300 francs.

Chanel — All the legendary accessories that made Mademoiselle the queen of the finishing touch — quilted bags with chain straps from about 2,500 francs, white or black silk camellias, a charm belt with all the Chanel motifs, chains and ropes of pearls galore starting at 1,700 francs.

Porthault — To accessorize your nights, pink hearts, blue stars and green clovers dance across cotton voiles on little pillows and linens. A nightgown and peignoir in iris print with double-pleated ruffled collar and cuffs is 4,800 francs.

Fragrance is the unseen but ultimate accessory. Buy what you can't find at home: Caron's re-editions of such 1930s scents as Nuit de Noël, Violette Precieuse and Or et Noir, decanted from gilded Bacarrat urns at the jewel-like mirror-and-marble boutique. Other Parisian perfumes to discover: the new Scherrer 2, Dior's stunner Poison, Guerlain's Second Empire Eau de Cologne Impériale.

A last stop might be the Musée de la Mode, where exclusive accessories have been created by the top fashion houses for the boutique and where the current Saint Laurent retrospective is a must. ■

Jean Rafferty is a Paris-based journalist who specializes in design and lifestyle.

Details:

JULIA (far left) is wearing
■ *Black Chanel beret studded with Chaumet Pierre d'Or earrings and a white Chanel camellia displaying a sapphire and diamond invisible-setting clip from Van Cleef & Arpels. Boucheron necklace and earrings of rubies and rock crystal, trimmed in gold and diamonds; ropes of pearls from Chanel.*
■ *On her left arm, Lien d'Or bracelet from Chaumet; Givenchy "Shanghai" watch with Chinese characters; Breguet phases-of-the-moon watch from Chaumet; Van Cleef & Arpels gray shagreen and gold bracelet; Van Cleef & Arpels gold and yellow sapphire bracelet.*
■ *On her right hand, Chaumet Lien d'Or ring; Boucheron ruby and rock crystal ring; Mauboussin ruby and mother-of-pearl "Nadia" ring; Van Cleef & Arpels gray shagreen ring.*
■ *Pink silk satin caraco and shorts from Nina Ricci.*

URSULA (left) is wearing
■ *Black and white Chanel bow headband with 42-carat emerald- and diamond-studded panther brooch by Cartier pinned to the camellia. One Chanel earring in the form of a CC pendant; a raw-emerald necklace banded in sapphires, from Verney; Pierre d'Or necklace from Chaumet; Van Cleef & Arpels marquetry clip.*
■ *On her left arm, Pascal Morabito's gold and steel double-faced watch; a Chanel pearl and chain bracelet.*
■ *On her right arm, a small Hermès scarf tied round the wrist in the new style; Jean Dinh Van's Paris city clock watch; Dinh Van's gold polo bracelet.*
■ *Ivory silk satin caraco from Nina Ricci.*

Models: Ursula Lemme and Julia Hine.
Make-up by Mary Beth Belvard

Miami: Nice if You're In The Know

by Joseph Novitski

MIAMI — When I moved to Miami from California not long ago, I packed a covered pickup with tools, boxes and two dogs and drove across the southern United States in August. Because of the debilitating heat and for the sake of the dogs, I drove at night. By day, we all slept in the shade. At dawn on the last day, I found breakfast at a service area on the Florida Turnpike an hour or so north of Miami.

There are good restaurants in the United States, but very few of them are open at dawn and none of them are on the Florida Turnpike. Americans, however, have switchable palates; to breakfast on the Florida Turnpike, one must switch to one's fast-food palate and not even notice the powdered egg omelette or the wrinkles of great age in the microwaved sausage. Unfortunately, that morning three Italian couples came into the slow-moving cafeteria line and piled their plates, chattering happily. The swift flow of Italian made me remember other ways of eating, and short-circuited my palate switch. The eggs tasted like stamp glue.

The Italians talked through breakfast without even mentioning the food they ate, while I wondered why Europeans would plunge into the kind of surroundings Americans go to Europe to escape. As we were all leaving, I asked them.

They had gone to the Olympic Games in Los Angeles, flown a little east across the driest of the Western desert, then rented a car to drive across the cinematic West — New Mexico, all of Texas — then Louisiana and Florida. They were on the last leg, driving to Miami to leave the car, take a Caribbean cruise and then fly home. It all struck them as a great adventure.

Again this year there are reasons for European tourism in the United States and there are published guides aplenty for those who want to vacation in the backlands, as the Americans do, driving across vast sweeps of country. This is only a little guide to surviving one of the gateway cities for European flights, outward or homeward bound.

One must be frank. Miami in the summer is not a destination of choice. This is a list of tips from European residents on how to spend a few days in Miami, on business or on the way to Disney World and Epcot Center or any of the tourist attractions of south Florida, without having to switch off your palate or any other cosmopolitan senses.

"Miami can be quite awful," said the French cruise-liner captain who was one member of my ad hoc panel. "It is flat. It is hot and it is not pretty. At least that's what people say."

The other members of the panel were an Italian documentary filmmaker, his British bush-pilot wife, and a Philippine lady of Spanish-American parentage whose finishing schools were in Paris and New York. They have all found ways to make their residence in Miami pleasant.

The French captain lives on the island called Key Biscayne. When he drives across the causeway from the mainland, he says, he finds himself in another world. Key Biscayne is a sort of barefoot, year-round village, now surrounded on two sides by affluence at the water's edge, and on the two sides by parks with public beaches. Staying on Key Biscayne is one of three possible strategies for a Miami visit, and the best for those traveling with children.

There are three hotels on the key. All are expensive ($85.00 and up for a double room in the summer off-season) because all have swimming pools and are at the beach. A swimming pool is not a luxury in Miami but a necessity, resident mothers will tell you. When the kids get cranky with the heat, you just shovel them out of the door and pitch them into the pool. Being at the beach is doubly soothing, for parents as well as for children, because if there is a breeze at evening it cools most of the beach and makes outside dining possible, even pleasant.

The hotels on Key Biscayne are the fairly modest Silver Sands Motel; the old-style Sheraton Royal Biscayne, which runs to porches, pastel ink and palm trees; and the gray high-rise between them, the Sonesta Beach. All have adequate American restaurants, but one must really be ready to drive in order to dine in Miami with one's own palate. The city, once a small trading center with a winter tourist population and absolutely minimal summer business hours, has grown hugely since World War II. Public transportation is laughable, by European standards, and a car is a necessity. Fortunately, car rental rates are low all year, and lowest in the summer. (On Key Biscayne there are paths in the parks and Wright's Bikes rents bicycles to pedal on them.)

Visitors representing businesses with deep pockets sometimes choose to stay nearer the city at an address with local cachet. The current favorites are the Hotel Roger Williams in Coral Gables and the Grand Bay Plaza, a striking building that looks like a slice of ziggurat set by the Dinner Key Marina in Coconut Grove. Those traveling without family but with a taste for nostalgia stay on Miami Beach, at the ocean end of the airport expressway, in one of three small hotels restored to their original Art Deco color schemes and decoration.

The Carlyle is the centerpiece of the properties, bought by a group called Art Deco Hotels. All are on the beach, small, friendly and, by Miami standards, not expensive ($65 for an ocean view room in the summer). The Parisian designer Marc Held stays at the Carlyle on his Miami business trips because, he says, he does not like hotels that look like airports. These look like travel posters from the 1930s.

The beach on the low island called Miami Beach is the most open and least crowded in the metropolis. The drawback to staying at the southern end, where the Art Deco Hotels are, is that the surrounding neighborhoods have slid downhill to near bottom. The possibility of being assaulted limits moonlight strolling on the beach, though by day the population of retired Jewish hotel-dwellers is friendly.

To survive in Miami in the summer, rent a car, select your base, and make straight for the water. Staying wet is the only sensible way to stay outdoors for long. The whole panel agreed that it was easier to play in or on the water in Miami than in any other city of comparable size.

There are open-air rental stands for sailboards all along the causeway connecting Key Biscayne to the mainland. In Kennedy Park, between central Miami and Coconut Grove, there are well-rigged Hobie Cats for hire, and at Dinner Key Marina, in the heart of Coconut Grove, one can rent somewhat-scuffed daysailers. Biscayne Bay is beautiful, and the city seems softest when seen from the bay.

The Gulf Stream runs, deep blue, salt and warm, a few miles off the beaches in summer, and there are gamefish in it, close in. Charter fishing boats with knowledgeable skippers berth at Crandon Park Marina on Key Biscayne. The boats supply all tackle, but a full day at sea can cost more than $500. A half day's fishing works for small parties. Larger parties can divide a charter and reduce the cost per fisherman.

For days on which the chance of rain, cast like a bookie's odds each summer morning by the National Weather Service, is more than 50 percent, there is an extensive, well-kept collection of tropical plants at Fairchild Tropical Gardens. For those traveling with children, Parrot Jungle is not far from the gardens. It is a pleasure, small but real, to breakfast at Parrot Jungle with children and watch the staff put out the parrots for the day on their sheltered perches on the other side of the cafeteria's plate-glass windows. The parrots take one's mind off the food.

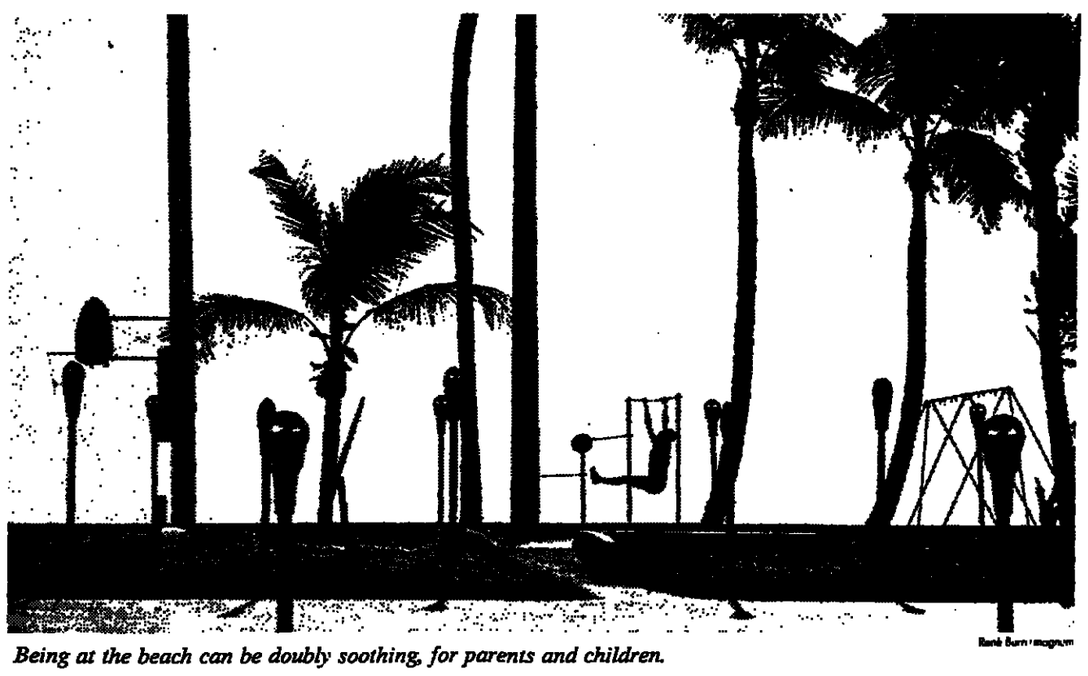
Still, one must eat, and these are my panel's survival selections. There are Italian restaurants throughout the city. One, a true trattoria in style, if not ambience, is the Villa Italia at 3058 Coral Way. All the food is good enough, and the pizza very good. The Italian on the panel approved further of the expensive Gatti's on Miami Beach and La Scala on Key Biscayne.

In the heart of the Cuban district, at the corner of SW Eighth Street and SW Eighth Avenue, is the Malaga, which does another Cuban specialty, whole fried snapper, to perfection. And at the Madrid, 2475 SW 37th Avenue, on Saturday, one can find a *cocido madrileño*.

There are numerous French restaurants in Miami, but those that are open in the summer have disappointed all of the panel members at least once. For a French traveler, the more expensive will do in a pinch, but, if pushed, a Frenchman might share the judgment of a French executive in Miami whose board chairman threatened all present at a long meeting by saying: "There will be no lunch until we finish this agenda."

"In Miami, that is not a threat," the Frenchman responded.

Joseph Novitski, a former correspondent for The New York Times and The Washington Post, is based in Florida.



Rene Burri/Magnum

Being at the beach can be doubly soothing, for parents and children.

Alex Webb/Magnum

Bicycles can be rented.

If they don't serve it where you're staying, why stay?

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
Sandr	31708	62	60½	61⅞	+5¼
NL Ind	30805	15	14¾	15	+ ⅜
PanhEC	21529	50¼	48⅝	49⅞	+1¼
Safewy	21429	58¾	57⅝	57⅞	— ¼
Lockhd	19595	53¾	51½	52⅛	—3⅛
IBM	17878	145⅞	141¼	145¼	+1½
MerLyn	17382	36⅝	33⅝	36⅛	+2½
AsdDG s	16877	66¼	65⅛	65⅝	+ ⅝
Sears	15385	44½	43⅝	43⅞	— ⅛
AT&T	14732	24⅜	24	24⅜	+ ⅛
PanAm	13227	6⅞	6¼	6½	— ⅛
PhilMr s	13124	74⅝	72⅝	74	+ ⅛
Shrwin s	12661	27⅞	26⅝	27¾	+3½
ITT Cp	11106	55½	53	55⅛	+ ⅜
GenEl	11052	77	75⅝	76½	— ⅛

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	91.06	—0.18
Utilities	91.28	—0.35
Industrials	90.84	Unch.

Market Sales

NYSE 4 p.m. volume	146,160,000
NYSE prev. cons. close	168,446,200
Amex 4 p.m. volume	9,460,000
Amex prev. cons. close	11,630,000
OTC 4 p.m. volume	107,257,700
NYSE volume up	72,639,070
NYSE volume down	58,398,595
Amex volume up	3,333,420
Amex volume down	4,098,315

NYSE Diary

	Close	Prev.
Advanced	817	1034
Declined	757	546
Unchanged	406	410
Total issues	1980	1980
New Highs	36	19
New Lows	38	19

NYSE Index

	High	Low	Close	Ch'ge
Composite	139.74	138.04	139.46	+0.13
Industrials	160.71	158.53	160.47	—0.01
Transp.	115.76	114.31	115.21	—0.37
Utilities	73.05	72.22	73.05	+0.38
Finance	151.48	149.84	151.48	+0.33

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
July 9	261,110	568,095	98,526
July 8	250,977	825,387	43,605
July 7	255,375	654,045	34,141
July 4	—	Clsd.	—
July 3	243,573	556,933	74,069

*Included in the sales figures

Thursday's NYSE Closing

Via The Associated Press

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	1833.80	1842.94	1799.07	1831.83	+ 5.76
Trans	751.13	759.50	740.13	753.38	+ 3.38
Util	199.44	201.34	197.33	200.54	+ 1.54
Comp	705.70	710.77	693.97	708.45	+ 2.99

AMEX Diary

	Close	Prev.
Advanced	279	352
Declined	293	234
Unchanged	245	229
Total issues	817	825
New Highs	6	9
New Lows	13	18

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	270.94	266.54	270.29	+0.83
Transp.	195.16	192.25	194.06	—0.46
Utilities	110.38	108.83	110.34	+0.56
Finance	28.91	28.47	28.89	+0.06
Composite	243.44	239.46	243.01	+0.19

NASDAQ Index

	Close	Ch'ge	Week Ago	Year Ago
Composite	392.03	—1.36	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]	[illegible]
Finance	[illegible]	[illegible]	[illegible]	[illegible]
Insurance	[illegible]	[illegible]	[illegible]	[illegible]
Utilities	[illegible]	[illegible]	[illegible]	[illegible]
Banks	[illegible]	[illegible]	[illegible]	[illegible]
Transp.	[illegible]	[illegible]	[illegible]	[illegible]

NASDAQ Diary

	Close	Prev.
Advanced	901	1,194
Declined	1,148	971
Unchanged	2,272	2,151
Total issues	4,321	4,316

AMEX Most Actives

[illegible]

AMEX Stock Index

High	Low	Close	Ch'ge
274.41	271.88	[illegible]	[illegible]

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Higher in Active Trading

Compiled by Our Staff From Dispatches

NEW YORK — Prices closed higher on the New York Stock Exchange Thursday, boosted by last-minute buying. Trading was active.

The Dow Jones industrial average, which rose 5.34 points Wednesday, gained another 5.76 points to 1,831.83 Thursday. At midday, the Dow had been down more than 21 points.

Advances pulled ahead of declines, outpacing them by less than an 8-7 ratio among the 1,968 issues crossing the NYSE tape.

NYSE volume amounted to about 146.2 million shares compared with 142.9 million shares on Wednesday.

Prices were lower in moderate trading of American Stock Exchange issues.

Sanders Associates surged 5⅛, to 61⅞, after Lockheed offered $60 a share late Wednesday. The stock opened above $60 as speculation grew that Loral, the first bidder for Lockheed, would sweeten its $50 offer.

The list of actives was made up almost entirely of shares of companies that have been either actively involved in takeovers, rumored to be targets or bidding for others.

Among them, Merrill Lynch, a perennial rumored target, gained 2⅞ to 36. Bid targets Associated Dry Goods, Safeway and NL industries were active, though showing little price change. Another, Panhandle Eastern rose 1¼ to 49⅞.

"There's been a lot of churning," said Gerald Simmons of Smith Barney Harris Upham. "We're dealing with a real tug-of-war. One minute the market's better, the next minute we're heading downward. There's been no discernible trend."

Mr. Simmons said "It could take a lot of work to move forward again," citing the psychological damage done after the 80-point drop in two sessions at the start of the week. "A lot of people are still a bit gun-shy about stepping back in and buying stocks," he said.

Creating further caution, quarterly earnings reports have begun to filter out for the period ended June 30.

A perception that earnings may be insufficient to support the market's still lofty level has sidelined some buyers, he said. Few expect strong gains in earnings until the third quarter, or later.

Disappointment over the lack of a discount rate cut was beginning to put a damper on trading, Mr. Gordon said.

The Fed's move after the market closed to cut the discount rate to 6 percent from 6.5 percent should alleviate concern, he said.

He added, "One of the problems lately has been that the Fed has been looking like it wasn't going to act."

A flurry of military-stock buying was set off by the new Lockheed bid for Sanders. E-Systems jumped 3¾ to 39¼, Watkins Johnson 3¼ to 38, and TRW 2⅜ to 99½. Lockheed itself slid 3⅛ to 52⅛.

(Reuters, UPI)

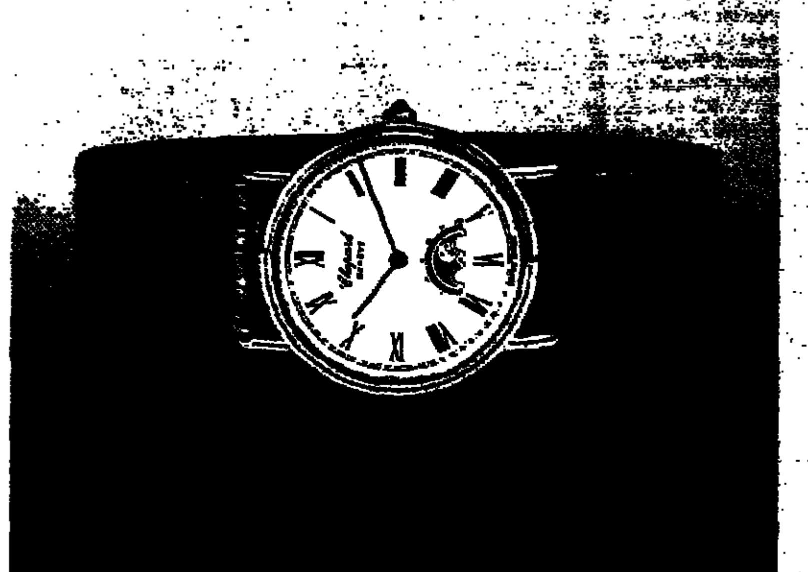
To Our Readers

World stock markets were not available for this edition because of a strike at Agence France-Presse. We regret the inconvenience.

NYSE stock listings (A–M)

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
[illegible]										

Chopard
GENÈVE



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(Continued on next left-hand page)

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…X highs/lows	P.14	Flting rate notes	P.16
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TECHNOLOGY

…omputer-Mail Standards …lay Make Paper Obsolete

By ANDREW POLLACK

New York Times Service

NEW YORK — It would be unthinkable nowadays for a business not to have a telephone to communicate with customers and suppliers. In the future, it may be almost as unthinkable for a business not to have a …puter for the same purposes.

…fore and more companies are replacing paper documents, …h as purchase orders and invoices, with electronic messages … travel between the buyer's computer and the supplier's …puter. If such systems spread, companies without computer …ability may be cut off from the flow of commerce.

…ch a scenario is already …fronting the 30,000 suppli… for the U.S. automakers. … car companies have an…nced plans to convert al…t entirely to electronic …sactions in two or three …s. Some automakers re…tedly have said that if a …plier is not computerized …hen, it will no longer be a supplier. "I expect the automotive …stry will be a paperless environment in three to five years," … Margaret Goscinski, associate director of the Automotive …stry Action Group, a trade group that has devised standards …electronic transactions between automakers and suppliers.

> **Companies without computer capability may be cut off from the flow of commerce.**

…ch transactions, known as electronic data interchange, or …, have been performed for years by some large companies. … systems are spreading rapidly, spurred by the increase of …onal computers and data communications networks. Many …lors now offer software or electronic mail services that allow … small companies with a personal computer to handle elec…ic transactions.

…nother factor is that industrywide standards are being devel…d for electronic order forms and invoices. Before standardiza…, a company might need different computer and transmission …ms for each customer. "Standardizing is the key to making … practical," said Edward N. Wong, a production-control …ialist for Ford Motor Co., which has already eliminated …r purchase orders for auto parts.

THE transportation industry was a pioneer in developing standards. Virtually all the waybills used by railroads … today are electronic.

…ajor grocery companies also use EDI to transmit orders to …pliers. And metal, chemical and paper companies are working …tandards for those industries.

…addition, a committee established by the American National …dards Institute has developed a generic standard for all …stries — in effect, an order pad that would permit an auto …pany to order from an electronics company, for example. The …l is trying to unite that standard with one being developed in …pe, said Anthony J. D'Anna, an engineer for American …phone & Telegraph Co. who is chairman of the committee.

…lectronic transactions have many advantages, proponents … Today, most of a company's information is stored on …puters anyway. When the computer inventory management …m indicates that supplies are low, a paper purchase order is …e up and mailed. At the other end, the order is received and …ntered into a computer for billing purposes. It is much …ler and more accurate to have the buyer's computer commu…te with the supplier's computer, EDI experts say.

…eorge Klima, director of accounting systems for Super Valu …es Inc., a major food wholesaler and retailer based in Minne…lis, said it costs the company $1.75 to telephone in a purchase …r and then send a paper confirmation. Electronically, "we … transmit it for 30 cents," he said.

…nce electronic transactions are virtually instantaneous, they … allow companies to cut inventory costs by placing orders …h closer to when supplies are needed.

…roponents say such electronic systems can bring customers … suppliers closer together. "It requires a certain degree of …mitment and coordination," said Peggy Emmelhainz, who is

See EDI, Page 17

GE Profit Rose 5% In Period

Insurance Unit Had Big Gain

Reuters

FAIRFIELD, Connecticut — General Electric Corp. said Thursday that its profit rose 5 percent in the second quarter, to $621 million, from $590 million in the comparable 1985 period.

Sales rose about 14 percent, to $7.79 billion from $6.84 billion, it said. Per-share profit came to $1.36, compared with $1.30 in April-June 1985.

The company, one of the biggest U.S. consumer-products and engineering conglomerates, said results were reduced about 1 cent a share by its $6.4-billion purchase of RCA Corp., which became final in June.

For the month, RCA had an operating profit of $36 million, before acquisition costs, on revenue of $803 million.

But GE said its purchase of Employers Reinsurance Corp. had more immediate positive results, adding about 5 cents a share to profits after acquisition costs.

Earnings from the consumer-products division were also well ahead of 1985, GE said, though revenues were slightly down. It said cost-cutting measures in its consumer electronics division and improved volume in its lighting segment more than offset weak prices.

Earnings also improved in the major-appliance and financial-services divisions.

The company said growth in earning assets at GE Credit Corp. made up for lower yields resulting from lower interest rates to customers. Kidder, Peabody & Co.'s investment banking business also contributed modestly to earnings. GE bought an 80-percent stake in Kidder, Peabody in June.

But earnings from GE's power systems, materials and technical products lines all were lower in the latest quarter, GE said.

For the first half, GE said its net profit jumped 44 percent, to $1.58 billion, or $2.54 a share, from $1.1 billion, or $2.42 a share, in the first six months of 1985. For the same period, sales edged up 5 percent, to $13.67 billion from $13.04 billion.

Rebecca Kaufman/The New York Times

The securities trading room at Hungary's National Development Bank in Budapest.

In Hungary, Bonds Pique Interest

Securities Trading, Legal Since '83, Proves a Success

By Michael T. Kaufman

New York Times Service

BUDAPEST — Zsigmond Jarai trades bonds in Hungary, which, in theory anyway, is something like being a wine merchant in Saudi Arabia.

Marxist tenets insist on the primacy of labor and the collective ownership of the means of production. But then, Marxists often debate the difference between theory and practice, and in practice what is happening is that each working day ordinary Hungarians come into the securities trading room on the ground floor of the National Development Bank to buy or sell bonds issued by 120 government enterprises.

Economic innovation has gone further in Hungary than in any other Eastern European country. The service sector has been privatized. Workers elect factory directors once appointed by the Communist Party. Pay is being tied to productivity. But none of the initiatives symbolize the metamorphosis quite so dramatically as securities trading, which was legalized in 1983 in response to the credit squeeze by Western banks the year before.

To date, Mr. Jarai said, about 30,000 Hungarians have bought interest-bearing bonds.

"Yes," he added, "there probably are even some people who now live off the interest from these bonds, but they are very few. Some invest as little as 2,000 forints ($45). Most purchases are in the range of 20,000. Remember, the average salary in Hungary is about 100,000 a year."

The banker, who once worked in London, said that since 1983, about 6.5 billion forints have been raised from the sale of 120 issues. In September 1984, a secondary market for the bonds developed and, according to Mr. Jarai, it is growing briskly, *with about $2 billion in trades so far.*

As he explained the operation, people wandered into the only securities trading room in Eastern Europe to scan the board of issues for the best bargains.

"People are catching on quickly and we have noticed that the number of customers has at least doubled every six months," Mr. Jarai said. "We advertise new issues in newspapers and print prospectuses."

The government's rationale in allowing the bonds was to tap new sources of investment for modernizing industries. Before the bond program started, the only sources of investment capital were bank credits or government outlays through the central planning process. And in 1982, Hungary was severely pinched when Western banks, frightened by grave financial problems in Poland and Romania, called in millions of dollars in short-term loans.

Proponents say the bonds will promote industrial efficiency by making companies accountable to investors. Critics often contend that under the Communist model of allocations, investments tend not to be made in the most profitable or productive

See HUNGARY, Page 17

People Express To Sell Frontier Airline to United

Compiled by Our Staff From Dispatches

NEW YORK — People Express Inc. said Thursday that it had tentatively agreed to sell its Frontier Airlines Inc. subsidiary to UAL Inc.'s United Airlines for about $146 million, or slightly less than half the indicated $300 million it paid for Frontier in November 1983.

It also said it rejected a merger offer that it called financially inadequate, but did not say who made the offer. Earlier Thursday, Texas Air Corp. said it discontinued talks with People Express after People's board rejected a $9-a-share merger offer that valued People Express at $235 million.

People said that starting next week United will advance it at least $50 million of the purchase price against the transfer of certain assets of Frontier and People Express, including planes, gates, hangars and landing and takeoff slots.

United and Denver-based Frontier will begin a joint marketing and advertising plan and allow Frontier passengers to use United's frequent flier program, it said.

UAL's stock closed $2.25 higher Thursday on the New York Stock Exchange, at $51.75. People's shares were suspended on the national over-the-counter market pending an announcement.

People Express, the fifth-largest U.S. airline, said the sale "strengthens substantially our financial position and flexibility, making us more competitive."

The purchase of Frontier had contributed to the huge debt load that is partly responsible for People's current problems.

The sale will allow People to keep flying for now, analysts said, but over the long term the carrier is still in for a bumpy ride.

"I see the company either out of business or becoming a very different airline in the next three to six months," one analyst said.

The company's urgent need for cash was evident from the part of the agreement that called for United to advance it $50 million, analysts said.

They said the purchase will give United, the largest U.S. airline, at least 60 percent of the Denver market to 32 percent or 33 percent for Continental Airlines, a unit of Texas Air Corp., according to estimates.

Before the acquisition, United flew nearly 40 percent of the market's traffic and Frontier around 30 percent, according to Louis Marckesano of Janney Montgomery Scott Inc.

Intense fare wars at Denver prompted United to seek to buy out some of the competition, he said.

In the meantime, other analysts said, the Frontier sale will give People Express money to go out and play another day, which is not good news for the rest of the industry.

People Express posted a loss of more than $58 million in the first quarter of 1986.

The company said in May it intended to throttle back on its rapid expansion, which also included the purchase in February of Britt Airways, an Indiana-based Midwest commuter line. *(Reuters, UPI)*

Norway to Ease Tax on Oil Firms

Reuters

OSLO — Norway announced Thursday that it will ease taxation on foreign companies exploring for oil and gas in its offshore waters in an attempt to persuade them to remain active in the face of plunging oil prices.

The oil and energy minister, Arne Oeien, said the package would cost Norway 1 billion kroner ($134 million). He said that among other measures, a special tax on oil companies would be reduced to 30 percent from 35 percent and a production tax would be abolished for future fields.

Oil and gas revenues make up one-fifth of Norway's total state earnings. Mr. Oeien said the fall in oil prices would slash 1987 petroleum taxation revenues to one tenth of last year's 50 billion kroner if prices remain at present levels.

Banking Patterns Shift In World Credit Market

By Carl Gewirtz

International Herald Tribune

PARIS — Banks are changing the way they do business in the international credit market — concentrating their lending on the short term and with other banks rather than with public- or private-sector entities that have historically been the channel for such operations.

This shift is documented in a semi-annual analysis on the maturity distribution of international bank lending, published Thursday by the Bank for International Settlements, the Basel-based bank for central banks that tracks market developments.

The increasing concentration of bank-to-bank lending in part explains the shortening maturity of the new loans, since the bulk of business transacted in the interbank market is for three or six months.

Reliance on this short-term market implies that money is being borrowed to finance trade, business that is settled quickly.

However, anecdotal reports from bankers also suggest that interbank financing is used, particularly by Eastern Europe, as a means to camouflage from public view how much is being borrowed (although the totals do surface in the regular BIS reports) and at what price.

Banks, which have more cash in hand than acceptable borrowers to lend to, are prepared to extend short-term loans at rates that they would not want to be seen accepting in publicly syndicated bank credits, which generally run for at least five years.

Eastern Europe, for example, last year publicly raised $3.6 billion in the international market. But the BIS figures show that the total debt outstanding rose $13 billion to $59.7 billion. Unfortunately, the figures are not totally comparable.

The BIS data starting with the second half of last year includes lending by banks in Finland and Spain that were not previously included. In addition, the sharp depreciation of the dollar late last year causes considerable distortion in translating non-dollar debts into dollars, the reference currency used by the BIS.

Eliminating the exchange-rate distortions, the BIS estimates that Eastern Europe's debt to international banks rose $6.3 billion last year — of which $3.7 billion was recorded in the second half.

The share of short-term debt increased only modestly, to 39.3 from 38.7 percent, thanks to Bulgaria and East Germany's raising substantial amounts of longer-term credits and the subsequent marked drop in their share of short-term debts.

Overall, for the second half of last year, the unadjusted BIS figures show that international bank lending to other banks increased $6.9 billion, compared with a $3.9-billion increase in loans to public sector entities. Loans to non-bank private sector borrowers dropped $10 billion. Lending that the BIS could not allocate by sector rose $5 billion.

In percentage terms, the share of credits to the public sector was virtually stable, while credits to the private non-bank sector contracted 2 percentage points to 27.8 percent,

See CREDIT, Page 17.

Currency Rates

…ss Rates — *July 10*

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
…rdam	2.4485	3.727	112.615 *	35.09 *	0.1641 *	—	5.475 *	137.965 *	152.42 y
…sels(a)	44.73	68.10	20.5703	6.4115	2.9945 *	18.27	—	25.20	27.88 *
…furt	2.1749	3.312	—	31.175 *	1.466 x	88.80 *	4.861 *	122.48 *	1.3545 *
…n (b)	1.5155	—	3.2953	10.573	2,261.00	3.7095	67.736	2.6935	243.10
	1,493.00	2,272.40	686.70	214.81	—	609.98	33.395	842.00	9.312
…York(c)	—	0.6594 ⊕	2.1725	6.9715	1,492.00	2.447	44.685	1.7745	160.85
	6.976	10.62	3.2086	—	4.6715 x	2.8486	15.604 *	3.9319	4.349 *
	160.35	245.50	73.72	23.01	10.76 *	65.46	359.85 *	90.39	—
…h	1.7743	2.6899	81.60 *	25.43 *	0.1189 *	72.485 *	3.9893 *	—	1.107 *
	0.9841	0.6477	2.1385	6.8602	1,468.52	2.4081	43.9942	1.7453	157.808
	1.18388	0.77454	2.58062	8.28242	N.Q.	2.9088	53.0467	2.1097	189.362

…gs in London and Zurich, fixings in other European centers. New York rates at 4 P.M. …mmercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one … (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. …o buy one pound: $U.S.1.5165

…er Dollar Values

…ncy	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
…ustral	0.86	Fin. markka	5.185	Mex. peso	626.00	Soviet ruble	0.695
…l. $	1.5815	Greek drac.	139.25	Norw. krone	7.48	Span. peseta	138.45
… schil.	15.34	Hong Kong $	7.8125	Phil. peso	20.25	Swed. krona	7.105
…n. fr.	44.88	Indian rupee	12.47	Port. escudo	149.15	Taiwan $	38.87
… cruz.	13.77	Indo. rupiah	1,130.00	Saudi riyal	3.7515	Thai baht	26.195
…ian $	1.3779	Irish £	0.7225	Sing. $	2.187	Turkish lira	670.55
…se yuan	3.7036	Israeli shek.	1.50	S. Afr. rand	2.5478	UAE dirham	3.673
…h krone	8.1225	Kuwaiti dinar	0.2908	S. Kor. won	886.10	Venez. boliv.	18.70
…. pound	1.33	Malay. ring.	2.6515				

…ling: 1.0948 Irish £

…s: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque No… de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); …nk (ruble). Other data from Reuters and AP.

Interest Rates

…rocurrency Deposits — *July 10*

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
…th	6¾-6⅞	4½-4⅝	4⅝-4¾	10 ⅛-10 ¼	7 ⅛-7 ¼	7 ⅛-7 ¼	6 ⅜
…nths	6 ⅞-6 ⅞	4½-4⅝	4⅝-4¾	10-10⅛	7 ⅛-7 ¼	7⅛-7⅜	6 ⅜
…nths	6⅞-6 ⅞	4½-4⅝	4⅝-4¾	9 ⅞-10 ⅛	7¼-7⅜	7¼-7⅜	6 ⅜
…nths	6⅞-6 ⅞	4⅝-4¾	4⅝-4¾	9 ⅞-9 ⅞	7¼-7⅜	7 ⅛-7 ¼	6 ⅜
…r	6 ⅞-6 ⅞	4 ⅝-4 ⅞	4⅝-4¾	9 ⅞-9 ⅞	7¼-7½	7 ⅛-7 ¼	6¼

…ces: Morgan Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters …). Rates applicable to interbank deposits of $1 million minimum (or equivalent).

…y Money Rates *July 10*

…d States	Close	Prev.
…unt Rate	6	6½
…al Funds	6 11/16	6 11/16
… Rate	8-8½	8½
…r Loan Rate	7¾	7¾
…aper 90-179 days	6.45	6.50
…th Treasury Bills	5.73	5.85
…th Treasury Bills	5.77	5.87
…0-59 days	6.40	6.45
…0-89 days	6.35	6.40
…Germany		
…ard Rate	5.50	5.50
…ight Rate	4.50	4.55
…onth Interbank	4.70	4.60
…th Interbank	4.65	4.65
…th Interbank	4.70	4.70
…e		
…ention Rate	7	7
…oney	7 5/16	7 13/16
…onth Interbank	7⅛	7⅛
…th Interbank	7⅛	7⅛
…th Interbank	7⅛	7⅛
…n		
…Base Rate	10	10
…oney	10	10⅛
… Treasury Bill	9⅝	9 9/16
…h Interbank	9 11/16	9⅝
…unt Rate	3½	3½
…oney	4 5/16	4 5/16
…Interbank	4⅝	4⅝

…s: Reuters, Commerzbank, Crédit …ais, Bank of Tokyo.

Asian Dollar Deposits — *July 10*

1 month	6¾ - 6⅞
2 months	6 ⅞ - 6 ⅞
3 months	6⅞ - 6¾
6 months	6⅞ - 6¾
1 year	6 ⅞ - 6 ⅞

Source: Reuters.

U.S. Money Market Funds — *July 10*

Merrill Lynch Ready Assets 30 day average yield:	6.63
Telerate Interest Rate Index:	6.455

Source: Merrill Lynch, Telerate.

Gold

July 10

	A.M.	P.M.	Ch'ge
Hong Kong	348.20	348.30	—2.70
Luxembourg	348.25	—	—2.75
Paris (12.5 kilo)	348.28	348.21	—0.78
Zurich	348.25	346.90	—1.25
London	347.50	346.80	—1.30
New York	—	347.40	—0.80

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York Comex current contract. All prices in U.S. $ per ounce.

Source: Reuters.

U.S. Reaches Pact on Quotas For Turkish Textile Imports

Washington Post Service

WASHINGTON — Turkey and the United States have reached an agreement on a long-standing trade dispute about Turkish textiles that recently have gained a foothold in the U.S. market.

The agreement imposes quotas on 14 textile and apparel products for two years, including several kinds of fabrics, acrylic yarn and fiber, as well as blouses, trousers and knit shirts.

Turkey's sudden increase in textile shipments to the United States, from $2 million in 1982 to $121 million last year, triggered a U.S. complaint of market disruption and marked the start of one and a half years of consultations.

"It is extending its market here for its textile products very rapidly," a State Department spokesman said.

He said that Turkey's role as a textile supplier is growing faster than the roles of other countries that have been suppliers to the U.S. market for many years.

However, Turkey does not seem to be entirely satisfied with the new agreement.

"We should be considered as a new entrant, a cotton producer and a developing country where the textile industry is a large sector," a Turkish Embassy spokesman said.

"We should get more access to the U.S. market," he said.

"We do not consider this problem as solved, because they complain of market disruption whenever we get slight increases."

FOR THE MAN WITH EXCEPTIONAL GOALS, PRIVATE BANKING IN SWITZERLAND

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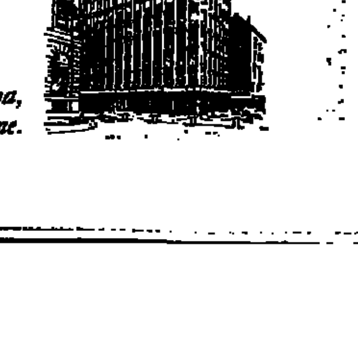
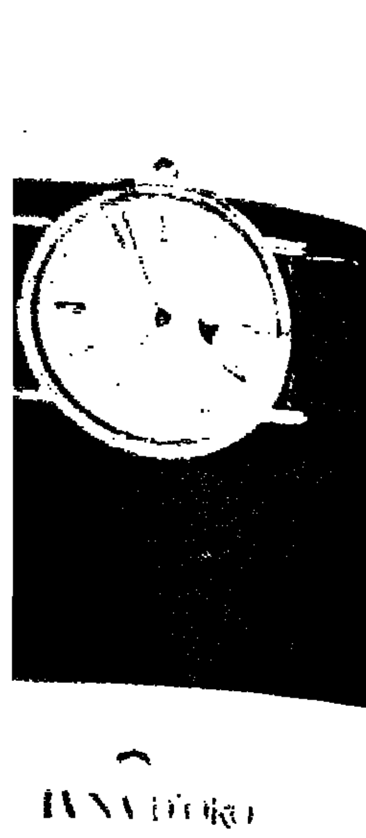
TRADE DEVELOPMENT BANK

An American Express company



Trade Development Bank head office in Geneva, at 96-98, rue du Rhône.



Chopard GENEVE

Thursday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
25½	20¾	MhCn pf	2.05	8.7		1	23½	23½	23½	
24½	16	McbER	1.40	6.2	33	33	22¾	22¾	22¾	+ ¼
6¼	3½	Mickiby	.06	1.2		10	5⅛	5⅛	5⅛	+ ¼
115	74¼	MMM	3.40	3.3	18	4056	107½	106½	108	−1⅛
32⅛	26¼	Mobil	2.20	7.3	11	9587	30⅜	29⅞	30	− ¼

N

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
28¾	14¼	NAFCO	1.00b	4.1	23	8	24½	24¼	24¼	+ ¼
54	29⅜	NBD	1.60	3.2	10	130	50½	49⅞	50¼	+ ⅜
20¼	10⅝	NBI			124	206	11⅝	11	11¼	− ⅛

O

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
3	1¼	Oakind				431	1⅜	1½	1⅜	+ ⅛
18¾	11¾	Oxford	.46	2.8	23	88	16⅜	16¼	16½	

P

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
41	29¾	PHH	1.04	3.3	13	341	31¾	31	31¼	
69½	42⅜	PPG	1.92	3.1	14	870	63⅜	61⅞	62¾	− ⅜

Q

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
84¾	47	QuakOt	1.40	1.7	19	977	81	79½	80⅝	+ ⅝
30	18⅜	QuakSO	.80a	3.0	13	426	26½	26	26½	+ ⅜
9¼	5	Quanex				71	7¼	7⅛	7¼	
32⅞	25⅛	Questar	1.72	5.6	12	107	30⅞	30⅜	30⅞	+ ½
39¾	19¼	QkReil	.28a	.8	18	38	35¼	34¾	35¼	+1

R

S

T

W

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
39⅞	26	WICOR	2.60	6.9	9	11	38¼	37¾	37¾	− ¾
72¼	45⅝	Xerox	3.00	5.4	13	3852	55⅞	54¼	55⅝	− ⅛
17⅝	13½	Yorkin n				105	16¼	16	16⅛	
39	26¼	ZaleCp	1.32	3.6		126	37½	37	37½	
45¾	33	Zurnin	1.32	3.6	12	200	36½	35⅝	36⅛	

NYSE Highs-Lows

NEW HIGHS 36

AFG s, Chaus n, EmpDist El, ImMinr pfA, Kentcky Ut, Petri Res pf, Sonders, SunChem, UnEl 272pf, BallGE pfB, CnPw 450pf, Energen, Int Paper, Loral, RalstnPur, SCANA, TECO, UtilCo 244p, BevInvPr n, Duke Pow, ImpCpAm, JerCnP 4pf, NYStaEG, Safeway, SouNEngTl, Unilevr NV, WatkinJhn, CentVtPS, E System, IntcapSec, KanPwLt, PanhECp, StJos LtPw, Squibb Corp, Union Elec, WiscPw Lt

NEW LOWS 38

AMD, BaxtTr pfA, Coleco, Esterline, GenRad, LTV Corp, Logicon, NiaM adj pf, SlatteryGp, Unocal, Armcoinc, BasiProd, DiamShm, FrMcRscP n, HouOilRoy, LTVCp pfA, MAI Basic n, RepBankCp, TexAmBnch, Wurlitzer, AHRlcnfld, CdnPcc s, Enrch adj p, Gearhind, HughesTl, LTV 525pf, MorganStan n, Rowan, USX adj pf, AHRh 280pf, CleveCif pf, EnsrchExp, GeicoCp, Inland Stl, LTV 125pf, NII pf, SeaCntLtd, UtdArtist n

U.S. Futures

Via The Associated Press

July 10

Grains

WHEAT (CBT)
5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
3.13	2.41	Jul	2.53	2.58	2.51½	2.57¾	+.05
2.99	2.37	Sep	2.47½	2.54½	2.45¼	2.53	+.06¼
3.09	2.44	Dec	2.50	2.56	2.47	2.55½	+.05½
3.38	2.43½	Mar	2.45¼	2.48	2.43¼	2.48	+.02¼
3.00	2.33½	May	2.36½	2.38	2.33½	2.38	+.02¼
2.50	2.23½	Jul	2.25½	2.25½	2.23¼	2.25½	+.00¾

Est. Sales Prev. Sales 7,248
Prev. Day Open Int. 36,827 off 9

CORN (CBT)
5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
2.86	1.91	Jul	1.97	1.98	1.93	1.97¾	−.01
2.70	1.73	Sep	1.74½	1.74½	1.70½	1.72¾	−.03
2.35½	1.75¼	Dec	1.74½	1.75	1.72¼	1.73½	−.02
2.42½	1.85	Mar	1.84½	1.84½	1.82	1.82½	−.01½
2.43	1.89¾	May	1.89½	1.89½	1.86¾	1.88½	−.01½
2.37	1.91	Jul	1.90½	1.90½	1.88¾	1.90	−.01
2.01½	1.84	Sep	1.84½	1.85½	1.83	1.84½	−.00¼

Est. Sales Prev. Sales 22,126
Prev. Day Open Int 111,599 up 1,057

SOYBEANS (CBT)
5,000 bu minimum- dollars per bushel

Est. Sales Prev. Sales 19,782
Prev. Day Open Int. 62,371 off 1,028

SOYBEAN MEAL (CBT)
100 tons- dollars per ton

Est. Sales Prev. Sales 10,332
Prev. Day Open Int. 52,971 off 481

SOYBEAN OIL (CBT)
60,000 lbs- dollars per 100 lbs.

Est. Sales Prev. Sales 8,690
Prev. Day Open Int. 64,856 off 68

Livestock

CATTLE (CME)
40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
61.75	49.85	Aug	56.80	56.80	55.70	56.42	−.25
60.60	49.45	Oct	55.70	55.97	54.75	55.45	−.05
61.75	51.40	Dec	56.35	56.80	55.70	56.35	+.08
60.50	51.70	Feb	54.80	55.15	54.25	54.65	
59.00	53.30	Apr	56.25	56.50	55.80	56.07	+.17
58.60	54.25	Jun	56.45	56.60	56.00	56.60	+.18

Est. Sales 20,239 Prev. Sales 19,835
Prev. Day Open Int. 62,783 up 312

FEEDER CATTLE (CME)
44,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
68.70	53.35	Aug	63.85	64.10	62.90	63.72	−.18
64.25	52.40	Sep	60.70	61.30	60.35	60.90	+.05
64.10	52.85	Oct	61.10	61.30	60.35	60.97	+.02
64.35	54.15	Nov	62.15	62.25	61.50	61.85	−.25
63.10	56.25	Jan	62.60	62.10	62.50	62.85	−.25
62.80	56.75	Mar	62.60	62.95	62.30	62.50	
62.20	57.00	Apr	61.70	62.00	61.60	61.80	+.30

Est. Sales 1,433 Prev. Sales 2,325
Prev. Day Open Int. 11,946 up 203

HOGS (CME)
30,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
62.57	40.45	Jul	59.25	59.25	58.15	58.15	−1.50
60.50	39.27	Aug	57.00	57.00	55.97	55.97	−1.50
54.55	34.50	Oct	52.25	52.40	51.22	51.52	−.95
52.60	38.57	Dec	51.60	51.70	50.50	50.57	−1.18
50.75	40.00	Feb	49.15	49.17	48.40	48.40	−.60
45.50	37.20	Apr	44.50	44.50	43.50	43.90	−.35
46.47	39.00	Jun	45.80	45.80	44.85	45.20	−.30
46.40	40.20	Jul	45.05	45.05	44.80	44.90	−.40
47.00	43.40	Aug	44.00	44.00	44.00	44.00	−.40

Est. Sales 9,219 Prev. Sales 13,634
Prev. Day Open Int. 29,470 off 472

PORK BELLIES (CME)
38,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
91.40	51.05	Jul	90.70	90.70	88.10	88.10	−2.00
88.10	50.02	Aug	87.30	87.50	84.92	84.92	−2.00
74.10	56.40	Feb	72.87	73.80	71.60	72.82	+.25
72.55	56.31	Mar	71.97	72.15	70.75	72.20	+.50
70.80	58.00	May	69.10	70.80	68.75	70.60	+1.68
70.65	59.60	Jul	66.00	66.00	65.05	65.15	+1.15

Est. Sales 5,764 Prev. Sales 4,260
Prev. Day Open Int. 9,224 up 81

Food

COFFEE C (NYCSCE)
37,500 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
278.10	135.50	Jul	162.50	164.00	161.00	164.05	+1.80
282.78	137.50	Sep	166.00	167.25	165.75	166.81	+2.27
287.10	138.00	Dec	169.50	170.75	167.50	170.54	+1.95
290.35	154.75	Mar	172.75	173.51	171.00	173.45	+1.98
291.83	169.95	May	174.50	174.50	174.50	175.45	+1.98
284.25	178.50	Jul				177.75	+1.00
255.00	194.50	Sep				179.75	+2.00
		Dec				180.35	+1.12

Est. Sales Prev. Sales 3,303
Prev. Day Open Int. 15,215 up 267

SUGAR WORLD 11 (NYCSCE)
112,000 lbs.- cents per lb.

Est. Sales 9,143 Prev. Sales 11,711
Prev. Day Open Int. 83,841 off 379

COCOA (NYCSCE)
10 metric tons- $ per ton

Est. Sales Prev. Sales 4,317
Prev. Day Open Int. 22,483 up 830

ORANGE JUICE (NYCE)
15,000 lbs.- cents per lb.

Est. Sales 275 Prev. Sales 536
Prev. Day Open Int. 7,404 up 57

Metals

COPPER (COMEX)
25,000 lbs.- cents per lb.

Est. Sales 3,000 Prev. Sales
Prev. Day Open Int. 64,994 off 137

ALUMINUM (COMEX)
40,000 lbs.- cents per lb.

Est. Sales 60 Prev. Sales 50
Prev. Day Open Int. 1,033 up 7

SILVER (COMEX)
5,000 troy oz.- cents per troy oz.

Est. Sales 8,000 Prev. Sales 10,000
Prev. Day Open Int. 65,326 up 317

PLATINUM (NYME)
50 troy oz.- dollars per troy oz.

Est. Sales 2,315 Prev. Sales 4,798
Prev. Day Open Int. 17,548 up 54

PALLADIUM (NYME)
100 troy oz.- dollars per oz

Est. Sales 228 Prev. Sales 279
Prev. Day Open Int. 5,315 up 76

GOLD (COMEX)
100 troy oz.- dollars per troy oz.

Est. Sales 15,000 Prev. Sales 4,500
Prev. Day Open Int. 125,236 up 70

Financial

US T. BILLS (IMM)
$1 million- pts of 100 pct.

Season High	Season Low		Open	High	Low	Close	Chg.
94.86	88.00	Sep	94.40	94.44	94.36	94.40	
94.75	89.05	Dec	94.42	94.45	94.37	94.40	−.01
94.56	89.58	Mar	94.25	94.25	94.21	94.24	−.01
94.35	90.50	Jun	94.05	94.05	94.01	94.01	−.01
94.18	90.83	Sep	93.78	93.78	93.72	93.75	−.02
93.93	91.48	Dec	93.53	93.53	93.47	93.49	−.04
93.80	92.18	Mar	93.29	93.28	93.23	93.25	−.04

Est. Sales Prev. Sales 7,848
Prev. Day Open Int. 40,268 up 1,160

10 YR. TREASURY (CBT)
$100,000 prin- pts & 32nds of 100 pct

Est. Sales Prev. Sales 14,186
Prev. Day Open Int. 65,856 off 922

US TREASURY BONDS (CBT)
(8 pct-$100,000-pts & 32nds of 100 pct)

Est. Sales Prev. Sales 224,488
Prev. Day Open Int. 196,216 up 3,037

MUNICIPAL BONDS (CBT)
$1000x index-pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
103-1	79-10	Sep	95-13	95-16	94-18	94-26	−9
98-22	88-28	Dec	94-30	94-30	94	94-4	−10
95-25	93-28	Mar				94-3	−10

Est. Sales Prev. Sales 3,685
Prev. Day Open Int. 13,227 up 800

CERT. DEPOSIT (IMM)
$1 million- pts of 100 pct

EURODOLLARS (IMM)
$1 million- pts of 100 pct.

EUROPEAN CURRENCY (IMM)

BRITISH POUND (IMM)
$ per pound- 1 point equals $0.0001

CANADIAN DOLLAR (IMM)
$ per dlr- 1 point equals $0.0001

FRENCH FRANC (IMM)
$ per franc- 1 point equals $0.00001

GERMAN MARK (IMM)
$ per mark- 1 point equals $0.0001

JAPANESE YEN (IMM)
$ per yen- 1 point equals $0.000001

SWISS FRANC (IMM)
$ per franc- 1 point equals $0.0001

Industrials

LUMBER (CME)
130,000 bd. ft.- $ per 1,000 bd. ft.

Est. Sales Prev. Sales 1,174
Prev. Day Open Int. 5,581 off 26

COTTON 2 (NYCE)
50,000 lbs.- cents per lb.

Est. Sales 2,450 Prev. Sales 1,841
Prev. Day Open Int. 21,837 up 179

HEATING OIL (NYME)
42,000 gal- cents per gal

Est. Sales Prev. Sales 15,872
Prev. Day Open Int. 61,573 off 225

CRUDE OIL (NYME)
1,000 bbl.- dollars per bbl.

Est. Sales Prev. Sales 46,651
Prev. Day Open Int. 115,221 up 4,931

Stock Indexes

SP COMP. INDEX (CME)
points and cents

Est. Sales 70,939 Prev. Sales 69,543
Prev. Day Open Int. 88,417

VALUE LINE (KCBT)
points and cents

Est. Sales Prev. Sales
Prev. Day Open Int. 10,682

NYSE COMP. INDEX (NYFE)
points and cents

Est. Sales 12,864 Prev. Sales 9,888
Prev. Day Open Int. 11,084 up 373

MMI MAXI INDEX (CBT)
mmi x 250 x index

Est. Sales Prev. Sales 6,027
Prev. Day Open Int. 8,905

Commodity Indexes

	Close	Previous
Moody's	971.10 f	971.40
Reuters	N.A.	1,422.80
D.J. Futures	111.59	111.75
Com. Research Bureau	197.08	199.15

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

Currency Options

July 10

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls—Last Jul	Aug	Sep	Puts—Last Jul	Aug	Sep
12,500 British Pounds-cents per unit.							
BPound	140	r	s	11.25	r	s	r
151.61	145	r	r	r	r	0.70	r
151.61	150	2.05	r	4.20	0.25	2.30	3.20
151.61	155	r	1.20	2.00	3.10	4.95	r
50,000 Canadian Dollars-cents per unit.							
CDollr	71	1.60	r	r	r	0.11	r
72.59	72	0.65	r	0.90	r	0.32	0.60
72.59	73	r	0.33	r	r	r	r
62,500 West German Marks-cents per unit.							
DMark	43	r	r	3.27	r	0.08	r
45.95	44	1.90	r	2.40	r	0.16	0.35
45.95	45	0.92	r	1.70	r	r	r
45.95	46	0.17	0.88	1.23	0.23	0.81	r
45.95	47	r	0.48	0.79	r	r	r
45.95	48	r	0.23	0.50	r	r	r
125,000 French Francs-10ths of a cent per unit.							
FFranc	140	3.10	r	r	r	r	r
142.21	145	r	1.80	2.80	r	r	r
142.21	150	r	r	1.25	r	r	r
6,250,000 Japanese Yen-100ths of a cent per unit.							
JYen	57	r	r	4.75	r	r	0.14
62.38	58	r	r	3.91	r	r	r
62.38	59	3.30	r	3.91	r	r	0.36
62.38	60	2.28	2.75	3.10	0.01	0.34	0.62
62.38	61	1.35	2.00	2.45	r	0.52	r
62.38	62	0.42	1.36	1.88	0.05	0.86	r
62.38	63	0.07	r	1.38	r	r	r
62.38	64	0.01	0.60	1.04	r	r	r
62.38	65	r	0.35	0.72	r	r	r
62,500 Swiss Francs-cents per unit.							
SFranc	51	5.30	r	r	r	0.13	r
56.29	52	r	r	r	r	0.18	r
56.29	53	r	r	r	r	0.11	r
56.29	54	2.27	r	2.93	r	0.24	r
56.29	55	1.47	r	r	0.01	0.49	0.78
56.29	56	0.37	r	r	0.16	0.80	1.11
56.29	57	r	0.84	1.16	r	r	r
56.29	58	r	r	0.86	r	r	r
56.29	59	r	0.27	0.56	r	r	r
56.29	60	r	r	0.39	r	r	r

Total call vol. 7,193 Call open int. 335,073
Total put vol. 17,458 Put open int. 278,847
r—Not traded. s—No option offered.
Last is premium (purchase price).

Source: AP.

Asian Commodities

July 10

SINGAPORE GOLD FUTURES
U.S.$ per ounce

	High	Low	Settle	Prev. Settle
Aug	349.50	349.50	349.20	352.00
Sep	N.T.	N.T.	351.00	353.70
Oct	N.T.	N.T.	352.40	355.10

Volume: 0 lots of 100 oz.

KUALA LUMPUR RUBBER
Malaysian cents per kilo

	Close Bid	Ask	Previous Bid	Ask
Aug	209.00	211.00	207.00	209.00
Sep	206.50	208.50	206.50	208.50
Oct	207.50	209.50	207.50	209.50
Nov	208.50	210.50	208.50	210.50
Dec	209.50	211.50	209.50	211.50

Volume: 0 lots.

SINGAPORE RUBBER
Singapore cents per kilo

	Close Bid	Ask	Previous Bid	Ask
RSS 1 Aug	173.75	174.25	173.50	174.00
RSS 1 Sep	173.75	174.25	173.50	174.00
RSS 2 Aug	171.00	173.00	171.00	173.00
RSS 3 Aug	169.00	171.00	169.00	171.00
RSS 4 Aug	166.00	168.00	166.00	167.00
RSS 5 Aug	161.00	163.00	161.00	163.00

KUALA LUMPUR PALM OIL
Malaysian ringgits per 25 tons

	Close Bid	Ask	Previous Bid	Ask
Jly	555.00	565.00	555.00	582.00
Aug	555.00	560.00	556.00	540.00
Sep	554.00	559.00	555.00	557.00
Oct	553.00	554.00	553.00	554.00
Nov	550.00	552.00	545.00	552.00
Dec	550.00	553.00	545.00	582.00
Jan	540.00	560.00	540.00	560.00
Mar	540.00	560.00	540.00	560.00
May	540.00	570.00	540.00	570.00

Volume: 32 lots of 25 tons.
Source: Reuters.

Paris Commodities

July 10

SUGAR
French francs per metric ton

	High	Low	Close Bid	Ask	Ch'ge
Aug	1,200	1,181	1,180	1,184	−5
Oct	1,240	1,210	1,210	1,214	−10
Dec	1,255	1,235	1,235	1,245	−7
Mar	1,315	1,295	1,282	1,290	−16
May	N.T.	N.T.	1,320	1,335	−15
Aug	N.T.	N.T.	1,370	1,380	−9

Est. vol.: 2,047 lots of 50 tons. Prev. actual sales: 3,896 lots. Open interest: 27,609

COCOA
French francs per 100 kg

	High	Low	Close Bid	Ask	Ch'ge
Jly	N.T.	N.T.	N.Q.	N.Q.	+30
Sep	1,420	1,400	1,415	1,425	+50
Dec	N.T.	N.T.	1,440	1,460	+38
Mar	N.T.	N.T.	1,460	1,470	+25
May	N.T.	N.T.	1,475	1,485	+20
Jly	N.T.	N.T.	1,490	—	+30
Sep	N.T.	N.T.	1,510	—	+40

Est. vol.: 2 lots of 10 tons. Prev. actual sales: 0 lots. Open interest: 179

COFFEE
French francs per 100 kg

	High	Low	Close Bid	Ask	Ch'ge
Jly	N.T.	N.T.	—	1,750	+30
Sep	1,770	1,760	1,762	1,775	+37
Nov	1,820	1,808	1,810	1,820	+30
Jan	N.T.	N.T.	1,820	—	+40
Mar	1,874	1,855	1,866	1,873	+40
May	N.T.	N.T.	1,870	—	+40
Jly	N.T.	N.T.	1,880	—	+20

Est. vol.: 58 lots of 5 tons. Prev. actual sales: 58 lots. Open interest: 984

Source: Bourse du Commerce.

London Commodities

July 10

SUGAR
Sterling per metric ton

	High	Low	Close Bid	Ask	Previous Bid	Ask
Aug	125.00	119.00	120.00	120.40	124.20	124.60
Oct	134.60	128.00	129.80	130.00	133.40	133.80
Dec	138.20	138.20	136.40	137.00	138.60	140.20
Mar	149.40	144.20	145.60	145.80	148.20	148.40
May	152.40	149.80	150.00	150.40	151.80	153.00
Aug	155.80	152.80	154.20	154.80	156.00	157.40
Oct	N.T.	N.T.	158.60	159.20	159.40	160.60

Volume: 3,759 lots of 50 tons.

COCOA
Sterling per metric ton

	High	Low	Close Bid	Ask	Previous Bid	Ask
Jly	1,335	1,305	1,330	1,335	1,270	1,276
Sep	1,361	1,319	1,358	1,359	1,303	1,304
Dec	1,400	1,365	1,395	1,396	1,348	1,349
Mar	1,429	1,402	1,423	1,424	1,382	1,383
May	1,439	1,421	1,435	1,437	1,400	1,401
Jly	1,452	1,445	1,451	1,452	1,417	1,420
Sep	1,470	1,465	1,466	1,467	1,432	1,435

Volume: 5,340 lots of 10 tons.

COFFEE
Sterling per metric ton

	High	Low	Close Bid	Ask	Previous Bid	Ask
Jly	1,659	1,634	1,643	1,645	1,620	1,625
Sep	1,692	1,662	1,675	1,677	1,655	1,659
Nov	1,725	1,695	1,705	1,710	1,692	1,695
Jan	1,758	1,725	1,742	1,745	1,720	1,725
Mar	1,782	1,755	1,772	1,780	1,755	1,765
May	1,800	1,780	1,795	1,810	1,770	1,785
Jly	N.T.	N.T.	1,815	1,830	1,810	1,818

Volume: 3,253 lots of 5 tons.

GASOIL
U.S. dollars per metric ton

	High	Low	Close Bid	Ask	Previous Bid	Ask
Aug	94.00	90.00	93.70	94.00	92.25	92.50
Sep	97.00	93.00	96.70	97.00	95.50	95.75
Oct	101.20	98.00	101.00	101.25	100.00	100.50
Nov	102.00	101.70	104.00	105.25	104.00	104.25
Dec	107.00	105.00	107.00	109.00	105.00	107.00
Jan	N.T.	N.T.	109.00	107.50	108.00	109.25
Feb	N.T.	N.T.	107.00	109.00	109.00	115.00
Mar	N.T.	N.T.	107.00	111.00	112.00	120.00
Apr	N.T.	N.T.	107.00	113.00	New	—

Volume: 2,556 lots of 100 tons.
Sources: Reuters and London Petroleum Exchange (gasoil, crude oil).

London Metals

July 10

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM Sterling per metric ton				
Spot	749.00	750.00	750.00	751.00
Forward	756.00	757.00	755.00	756.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	884.00	885.00	873.50	874.00
Forward	898.50	899.00	888.00	888.50
COPPER CATHODES (Standard) Sterling per metric ton				
Spot	848.00	849.00	841.00	842.00
Forward	872.00	873.00	865.00	870.00
LEAD Sterling per metric ton				
Spot	247.50	248.00	246.00	247.00
Forward	251.00	252.00	250.50	251.00
NICKEL Sterling per metric ton				
Spot	2570.00	2575.00	2595.00	2600.00
Forward	2610.00	2615.00	2625.00	2630.00
SILVER Pence per troy ounce				
Spot	331.00	332.00	331.00	332.00
Forward	339.00	340.00	338.00	339.00
ZINC Sterling per metric ton				
Spot	511.50	512.50	509.50	510.50

Source: AP.

S&P 100 Index Options

July 10

Total call volume 274,180
Total call open int. 635,043
Total put volume 341,961
Total put open int. 562,043
Index:
High 238.76 Low 234.83 Close 238.57 + 0.21
Source: CBOE.

DM Futures Options

W. German Mark-125,000 marks, cents per mark

July 10

Estimated total vol. 4,582
Calls: Wed. vol. 3,270 open int. 48,434
Puts: Wed. vol. 2,194 open int. 37,939
Source: CME.

Cash Prices

July 10

Commodity and Unit	Thu.	Year Ago
Coffee 4 Santos, lb	1.87	1.4
Printcloth 64/30 38 ½, yd	0.66	0.6
Steel billets (Pitt.), ton	473.00	473.
Iron 2 Fdry. Phila., ton	213.00	213.
Steel scrap No 1 hvy Pitt.	70-71	
Lead Spot, lb	21-24	
Copper elect., lb	64-66	
Tin (Straits)*, lb	3.4646	
Zinc, E. St. L. Basis, lb	0.41-44	
Palladium, oz	111-113	
Silver N.Y., oz	5.07	

*: New York spot price.
Source: AP.

Dividends

July 10

Company	Per	Amt	Pay	Rec
INCREASED				
Colonial AmBkshrs	Q	.15	8-1	7-18
Comdata Network	Q	.06	7-28	
Hayes-Dana Ltd	Q	.11	9-30	
USUAL				
Bank of New York	Q	.57	8-1	7-18
Dayton Hudson	Q	.21	9-10	
Michaels (J) Inc	Q	.09	9-2	
National Data Corp	Q	.11	8-29	
Noranda Inc	Q	.12½	9-15	
Walgreen Co	Q	.12½	9-12	

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

U.S. Treasuries

July 10

	Discount Bid	Offer	Yield	Prev. Yield
3-month bill	5.84	5.82	6.01	
6-month bill	5.87	5.85	6.13	
1-year bill	5.90	5.88	6.26	

	Bid	Offer	Yield	Prev. Yield
30-yr. bond	101 10/32	101 12/32	7.14	

Source: Salomon Brothers.

Merrill Lynch Treasury index: 153.44
Change for the day: + 0.12
Average yield: 7.32 %
Source: Merrill Lynch.

SHERIDAN MORLEY
IN THE IHT EVERY WEDNESDAY
WITH PERCEPTIVE CRITICISM
OF THE LONDON THEATER

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Thorn Says Net Fell 3%, Much Less Than Feared

Reuters

LONDON — Thorn EMI PLC said Thursday that its pretax profit fell 3 percent in fiscal 1985-86, to £94.7 million (about $160.2 million at current rates), much less than the company and analysts had expected.

Sales for the year ended March rose by 3.8 percent, to £3.32 billion, from £3.2 billion in fiscal 1985. Per-share profit fell to 26.5 pence from 29.9 pence on earnings of £108.3 million the year before.

The company had forecast that pretax profit would fall nearly 14 percent, to £93.5 million, because large capital expenditures, interest charges and expected heavy losses in its Inmos unit. Officials said that pretax profit was reduced by £61 million in extraordinary charges, of which £45 million resulted from the restructuring of Inmos, which makes computer chips.

The better-than-expected results sent Thorn shares soaring on the London Stock Exchange. At midday, shares were was up 25 pence, to 492 pence.

Thorn said its prospects had improved considerably during the year. It said it had achieved one of its aims, to reduce borrowings, by selling several units for a total of more than £200 million.

The company sold its Thorn EMI Screen Entertainments unit to Bond Corp. Holdings for £128 million in April. Less than a week later, Bond sold the unit to Cannon Group for £175 million.

Thorn reiterated its conviction that it had obtained the best possible price for the unit at the time. Bond also assumed responsibility for refinancing £8.5 million in borrowings and the sale relieved Thorn of more than £100 million in commitments.

The Ferguson unit again reported a profit, but Thorn said the recovery of its music business was taking longer than expected. It also said satisfactory profits elsewhere were offset by poor results in the United States.

Its entertainment division posted a profit of £13.4 million, down about a third from £21.8 million a year before. Profit from domestic operations fell 4 percent to £105.5 million, while overseas profit plunged 21 percent to £48.5 million.

The company said it had excellent results from its rental operations, HMV shops and Thorn EMI Electronics unit.

Klöckner Domestic Net Profit '85 Unchanged From '84

Reuters

DUISBURG, West Germany — Klöckner & Co., the West German steel group, said Thursday that the domestic group's net profit in 1985 was around 41 million Deutsche marks ($18.8 million at current rates), unchanged from 1984. The domestic group's revenue last year was 11.5 billion DM, up 4 percent from 10.8 billion.

Overall group revenue, including unconsolidated foreign subsidiaries was 13.1 billion DM, up 3 percent from 12.7 billion.

The chief executive, Jorg Henle, said Klöckner would aim to keep earnings results around last year's level despite the growing risks in doing business abroad because of currency fluctuations.

Results in the first five months of 1986 had met the company's short-term expectations, he said.

Revenue in January to May had fallen around 10 percent because of changes in the values of currencies compared with the same period a year earlier, he said, without giving figures.

Mr. Henle said Klöckner planned to increase domestic group investment in 1986 to well over 100 million DM from 85 million in 1985.

Declines in the price of steel put pressure on the profit-to-sales ratio last year but the steel-trading sector, Klöckner's largest, made a clear profit nonetheless. The steel sector also performed well in the first five months of 1986.

Steel trading accounted for 47 percent of the domestic group's revenue in 1985, down slightly from 48 percent the previous year. The volume of steel traded rose to 8.7 million DM from 8.25 million, helped by good foreign business.

Safeway, Target of Dart Bid, Said to Be Below Potential

Compiled by Our Staff From Dispatches

NEW YORK — Safeway Stores Inc., the largest U.S. supermarket chain, became the target of a takeover bid because it has been performing below its potential, financial analysts said Thursday.

Dart Group Corp., a discount retailer that made a $3.6-billion unsolicited offer for Safeway on Wednesday, would be particularly well suited because Safeway would provide immediate entry into many new markets, they said.

Safeway reported Thursday that earnings in the second quarter ended June 14 fell 8.6 percent to $45.6 million from $49.9 million in the same period a year earlier, despite an $11 million gain from a change in pension accounting.

Revenues were $4.57 billion, up 0.6 percent from $4.54 billion, it said, excluding the sale in late 1985 of several foreign operations. Earnings per share were 75 cents, down from 83 cents.

Dart Group, which is based in Landover, Maryland, already owns 9 percent of Safeway's 61.5 million common shares outstanding. It is planning to buy the remaining shares for $58 each.

Safeway, which is based in Oakland, California, said it would consider the offer, but it said earlier that it preferred to remain independent after Dart Group expressed interest in acquiring it.

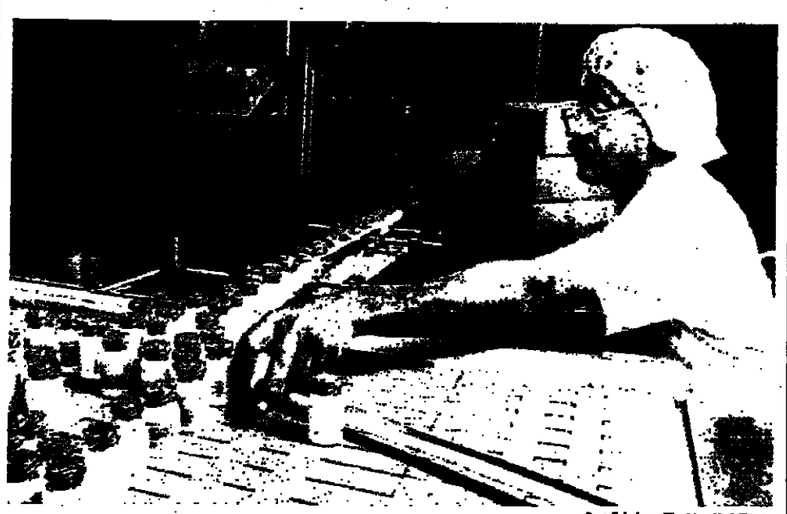
Safeway is attractive because "it has a lot of underutilized assets," said Susan Schmierer, an analyst with the investment firm of L.F. Rothschild, Unterberg, Towbin.

Last year, Safeway had a net profit of $231.3 million, up 25 percent from the previous year. But excluding a one-time, $34.8-million after-tax gain from the sale of some foreign operations, profit rose only 6.2 percent. Sales for the year were essentially flat at $19.65 billion.

Joanne Legomsky, a retailing analyst with Standard & Poor's Corp., said Safeway's operating earnings have been hurt by strong price competition in such areas as Southern California and by many of its stores being in regions affected by the oil slump.

"A lot of people have been speculating that retailers in general, including supermarkets, are takeover targets," Miss Legomsky said, "because it is a somewhat mature industry."

Safeway operated 2,365 stores, 1,986 in the United States, 258 in Canada and 121 in Britain, at the end of 1985. *(AP, Reuters)*



Rose Eichenbaum/The New York Times

Worker at a Johnson & Johnson plant in Puerto Rico checks labels on Tylenol caplets.

Johnson & Johnson's Recovery

Despite Tampering Scare, Tylenol Sales Rebound

By Richard W. Stevenson
New York Times Service

NEW YORK — In February, a cyanide-laced Tylenol capsule killed a woman in Yonkers, New York, leading Johnson & Johnson to remove all capsule forms of the product from the market. But five months later, Tylenol is still the best-selling analgesic in the United States, selling 96 percent of what it sold before the tampering, the company said.

The brand's rebound, after sales fell by about one-third, was even swifter than its recovery following a poisoning episode in 1982, in which seven people died in the Chicago area.

"I don't know that there's a case on record of a brand that has taken two shots to the head like that and come right back," said Benjamin Lipstein, the chairman of National Brand Scanning Inc., a market research concern. "It's amazing."

As product tampering increases, Tylenol is a case study in crisis management. Johnson & Johnson now holds 31.7 percent of the $1.7-billion market for pain-relievers, compared with 33 percent before the poisoning.

Having weathered the episode — which the company says will cost it between $100 million and $150 million this year after taxes — Tylenol now faces a more traditional marketing challenge. A new generation of analgesics made of ibuprofen, which until last year had been available only by prescription, has entered the market, joining the aspirin and acetaminophen products. Tylenol is an acetaminophen.

Like the other analgesics, ibuprofen is used to relieve the pain of headaches, menstrual cramps, hangovers, fever and joint inflammation. Like aspirin, ibuprofen can reduce tissue swelling; acetaminophen products are not anti-inflammatory. While aspirin brands have so far been the major losers to ibuprofen, some analysts think that acetaminophen brands including Tylenol are vulnerable.

The Tylenol comeback, Johnson & Johnson executives and analysts say, can partly be explained by the fact that the negative effects of the tampering were ameliorated by further poisonings involving other products.

Crucial also, analysts say, was the quick action that Johnson & Johnson took after pulling Tylenol capsules off the market.

New television commercials were on the air within days, a huge coupon promotion revived sales and retailers were courted.

Johnson & Johnson astutely ended sales of all its over-the-counter capsule products while competitors continued to sell them. Caplets, coated, solid tablets more resistant to tampering, were sold in place of capsules.

While the company risked alienating those customers who prefer capsules, it headed off the possibility of another tampering incident — which became a reality for other drug companies.

SmithKline Beckman Corp., for example, pulled Contac, Dietac and Teldrin capsules off the market for several months after rat poison was found in some of them in March. And Bristol-Myers Co. last month stopped selling its brands in capsule form after two deaths in a suburb of Seattle were linked to cyanide placed in Extra-Strength Excedrin capsules.

Tylenol offers a case study in crisis management.

The stakes for Johnson & Johnson were high when James E. Burke, its chairman and chief executive, pondered the firm's response to the death Feb. 8 of Diane Elsroth. Tylenol is the firm's biggest profit maker, accounting last year for about 15 percent of its earnings of $614 million and 8.6 percent of its sales of $6.4 billion.

The company already had a caplet version of Tylenol available. Tylenol sales dropped to about 65 percent of pre-tampering levels, but company officials credit the caplets with keeping the drop from approaching the 20-percent level to which sales fell after the 1982 tamperings.

In addition, Johnson & Johnson seems to have built up considerable public confidence. "Nobody blamed Tylenol, nobody blamed J&J," said Judith Langer, the president of Langer Associates, a market research concern.

But perhaps most important, because the company had been through it all before — the tampering, the tragedy, the scrutiny of news organizations — its executives knew how to handle it.

Mr. Burke reappeared on news programs, proclaiming a commitment to putting safety first and offering the caplet as an alternative.

On Feb. 17, three days after a second bottle of cyanide-laced Tylenol was found, Johnson & Johnson said it would no longer sell capsules over-the-counter.

The marketing focus then turned to keeping consumers who had used Tylenol capsules from switching to competitors, such as American Home Products' Anacin-3, still available in capsule form.

Mr. Burke turned that over to the two executives directly responsible for Tylenol, David E. Collins, a vice chairman of Johnson & Johnson's executive committee, and Joseph R. Chiesa, the president of McNeil Consumer Products, the subsidiary that makes the pain-reliever.

By Feb. 21, the company's advertising agency, Saatchi & Saatchi-Compton, had produced two widely broadcast commercials.

Meanwhile, consumers were offered incentives to stay with Tylenol — first, a free exchange of Tylenol capsules for caplets, newspaper coupons worth from $2.75 to 50 cents.

Just before Miss Elsroth died, Johnson & Johnson had manufactured a large batch of caplets that it planned to market in the fall. With that head start, the company prepared its manufacturing facilities in Puerto Rico, Texas and Pennsylvania for bigger production runs and added new shifts of workers.

In a remarkable display of industry unity, some of Johnson & Johnson's competitors offered to help put the coating on the Tylenol caplets, Mr. Collins said. He declined to name the companies, but said, "At a time like this the industry pulls together."

Meanwhile, Jack E. O'Brien, a vice president in charge of trade relations, brought representatives of five major retail trade associations to the company's headquarters in New Brunswick, New Jersey, to hear firsthand what Johnson & Johnson was doing.

According to the most recent figures provided by Johnson & Johnson, the caplets appear to have picked up almost all of the sales of capsules. Before the poisoning, capsules accounted for about 35 percent of Johnson & Johnson's business and caplets about 15 percent. Caplets now provide 50 percent and tablets the other half.

As marketing activities return to normal, Johnson & Johnson is devoting more attention to ibuprofen, and plans to introduce Medipren in the fall. American Home Products' Advil and Bristol-Myers's Nuprin currently account together for 12 percent of the analgesic market.

Montedison Asks Big Capital Increase

Reuters

MILAN — Montedison SpA, the big Italian chemicals group, said Thursday that its board will ask shareholders to approve a 946.8-billion-lire ($633-million) increase in share capital.

The company said the capital increase will be used to finance its recently announced purchase of a controlling interest in the Swedish pharmaceuticals company, Fermenta AB; its purchase of the Italian marine engineering company, Intermarine SpA, and other planned investments.

Montedison officials said that, subject to shareholder approval in September, the company will issue about 701.3 million ordinary shares and about 200.34 million nonvoting savings shares, all with nominal value of 1,000 lire each, at a price of 1,050 lire each.

Stockholders will be offered one ordinary share for each two ordinary shares or convertible bonds already held, and one new savings share for each two already held.

Montedison said it will acquire Intermarine from Partecipazioni Finanziarie e Industriali SpA. PFI, in turn, will take a 25-percent stake in Montedison's consumer products subsidiary, Mira Lanza SpA, and all of the group's 51-percent holding in the glass products company, Fidenza Vetraria.

Montedison's stake in Mira Lanza will fall from 55 percent to 30 percent.

Montedison said it was optimistic it would get the required government approval for the acquisition of about 45 percent of Fermenta equity, giving it more than 75 percent of the voting rights in the company.

It said the Fermenta purchase would give it a competitive world position in fine organic chemicals.

Montedison also announced that its subsidiary, Farmitalia-Carlo Erba SpA, had reached an agreement to acquire the Italian family-owned pharmaceuticals company, Ellem, which is particularly active in the immunology field. Terms of the agreement were not disclosed.

Businessman Buys 10% of Standard

By Bob Hagerty
International Herald Tribune

LONDON — Sir Yue-Kong Pao, a Hong Kong businessman, said Thursday he had acquired a 10-percent stake in Standard Chartered PLC, prompting fears that he and others could block a bid by Lloyds Bank PLC to take over the international banking company.

Several analysts said that they still expected Lloyds to succeed with its £1.3-billion ($2-billion) bid, which expires Saturday, but that Standard's chances of escaping seemed to have grown in recent days.

A financial adviser to Standard, Nicholas Jones, said he believed that Sir Yue-Kong, who has major interests in shipping and property, supported Standard directors in their desire to remain independent.

On Wednesday, Standard announced that Tan Sri Khoo Teck Puat, a Singapore-based hotel and banking businessman, had acquired 5 percent of Standard. Mr. Jones said Tan Sri Khoo also was believed to support the Standard board.

Some analysts cautioned that Sir Yue-Kong and Tan Sri Khoo might still choose to accept the Lloyds bid. Analysts also said Lloyds bought Standard shares Thursday, raising its stake to 4.9 percent.

After the buying subsided, Standard shares slumped 28 pence to close at 774 pence, partly reflecting fears that the bid could fail to attract the necessary 50 percent of shares by Saturday. "If this bid fails," said Christopher Davis, a banking analyst at L. Messel & Co., "the downside on Standard is at least another 100 pence."

At Thursday's closing price, Sir Yue-Kong's stake is valued at about £120 million.

The Lloyds offer of cash and securities values Standard at around 850 pence, based on Lloyds's current share price, analysts said.

Sir Yue-Kong is a veteran of several fierce takeover contests in Hong Kong. In March 1985, he gained control of Wheelock Marden & Co., a property and shipping concern, after a battle with Tan Sri Khoo.

COMPANY NOTES

Alexander & Alexander Services Inc. of Atlanta has merged five of its insurance brokerage units into a new wholly owned subsidiary, Alexander Howden North America Inc. It will provide greater access to London insurance markets for excess and surplus risk lines of insurance that are difficult to place.

Asahi Glass of Japan is to set up a joint venture in Tokyo next month, with Montedison, Italy's largest chemical company, to market Montedison's fluorinated rubbers in Japan and Southeast Asia.

Deminex GmbH, the West German oil exploration firm majority-owned by Veba AG, expects to record a loss this year. Ernst Hotz, chairman of the managing board, said losses may continue until 1988.

Guinness PLC has bought 90.6 million shares allotted as part of its successful bid for Distillers Co. and is making arrangements for their cancellation. The shares were issued to Morgan Grenfell Investment Ltd. and Greatband Ltd., a Shell company owned by Guinness and Morgan Grenfell.

Hitachi has announced plans for a factory in Mexico to make television set chassis for shipment to a California plant it operates. The Tijuana factory will send the wood chassis to the Hitachi factory at Anaheim, California, which makes up to 40,000 television sets a month.

Hunt Oil Co. has elevated an outsider, the former executive vice president, Gary T. Hurford, to president for the first time in company history. All Hunt properties will now be controlled by a new holding company, Hunt Consolidated Inc.

Intraco Ltd.'s directors have recommended that shareholders reject a takeover offer from United Industrial Corp. The directors of the state-run Singapore firm, advised by Wardley Ltd., said the offer undervalues the worth of control of Intraco and has no material commercial justification.

Lotus Development Corp., of Cambridge, Massachusetts, has announced a line of products to improve links between PCs and mainframe computers. The Application Connection allows PC users to retrieve data from a mainframe computer without knowing how the mainframe is set up and where the information is stored.

Macfadden Holdings will add $2 per share in cash to the consideration to be paid in the second-step merger of a MacFadden subsidiary with John Blair & Co. if Macfadden's pending tender offer for the U.S. broadcast group is successful.

Sun Hung Kai Bank Ltd. will change its name to International Bank of Asia Ltd. on Sept. 18, to reflect its substantial international connections. The bank is now 75 percent held by Arab Banking Corp. and 25 percent by Tony Fung, chairman of Sun Hung Kai Co. and his family.

Ralston to Sell U.S. Feed Unit To BP Nutrition

Compiled by Our Staff From Dispatches

ST. LOUIS — Ralston Purina Co. said Thursday that it has agreed in principle to sell Purina Mills Inc., the biggest commercial animal feed company in the United States, to a unit of British Petroleum Co. for an undisclosed price.

The buyer, BP Nutrition Ltd., is a food and agriculture company with a major feed business in Europe, Hendrix International.

BP Nutrition said the purchase would almost double its size, pushing annual sales well above $2 billion. Ralston officials said BL would operate Purina under its own name.

Ralston Purina's international feed business and pet-food production will not be affected by the sale. Ralston said that, after the sale, more than 90 percent of its earnings will come from consumer packaged goods.

The transaction must be approved by the directors of both companies, BP said. Ralston said it expects the sale to be completed by Oct. 1. *(Reuters, AP)*

Texas Air Purchase of Eastern Near Approval

By Douglas B. Feaver
Washington Post Service

WASHINGTON — The U.S. Transportation Department tentatively approved Texas Air Corp.'s $600-million takeover of Eastern Air Lines Inc., but insisted on guarantees that Pan American World Airways can provide effective competition to Eastern's Washington-New York-Boston shuttle.

If the sale is approved, as expected, Texas Air will become the largest U.S. airline, with 16.8 percent of the revenue passenger miles, the industry standard. United Airlines has 14.9 percent and American Airlines, 14.8 percent.

Texas Air already owns Continental Airlines and New York Air, and the tentative Eastern approval came on a day when Texas Air negotiations were vying with other airlines seeking to purchase the financially troubled People Express.

Texas Air offered to buy Eastern in January, when Eastern was unable to reach cost-saving agreements with labor unions, and while its lenders were insisting on steps to assure its financial stability.

An obvious problem with the Texas Air-Eastern merger was that Texas Air's New York Air subsidiary was running the only frequent competition to the Eastern shuttle. The shuttle serves two airports, Washington National and LaGuardia, where there is now so much air traffic that there is no room for additional flights.

Texas Air moved to resolve the problem by limiting New York Air's flights in the shuttle markets and selling landing rights at National and LaGuardia to Pan Am for $265 million.

Texas Air then obtained an opinion from the Justice Department saying, in effect, that antitrust issues no longer existed.

The Transportation Department's two conditions on the Texas Air-Eastern merger are that the acquisition of Eastern not go forward until Pan Am has completed purchasing landing rights and gates from Texas Air, and that any Texas Air repurchase of those facilities be approved by the department.

At the time of the sale of landing rights, called slots, Pan Am announced it would set up a new subsidiary to operate the shuttle.

The Transportation Department granted three weeks for comments on its order and said it would reach a final decision by Aug. 31.

Squibb Divests Medical Units

The Associated Press

PRINCETON, New Jersey — Squibb Corp. announced Wednesday that it intends to spin off its medical systems business to its stockholders. The business is made up of Advanced Technology Laboratories, a manufacturer of ultrasound imaging equipment; Spacelabs Inc., a producer of patient-monitoring products; and Squibb Medical Systems, a manufacturer and distributor of ultrasound equipment.

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Thorn-EMI

	1986	1985
	3,320.	3,200.
Net	104.7	108.3
	0.265	0.299

Noranda

	1986	1985
	930.7	924.5
	17.1	(a)23.0
	0.12	—
	1986	1985
	1,610.	1,600.
	28.7	(a)41.3
	0.21	—

Bristol Heavy Ind.

	1986	1985
	3.53 T	3.46 T
	46,540.	40,380.
	34.59	15.77

United States

Eli Lilly Laboratories

	1986	1985
	930.6	827.9
	138.67	115.02
	0.57	0.48
	1986	1985
	1,809.	1,800.
	257.15	217.20
	1.09	0.91

Eli Lilly Industries

	1986	1985
	419.02	406.8
	39.81	35.21
	1.52	1.27
	1986	1985
	812.57	805.89
	58.42	65.99
	2.82	3.31

excludes gain of $10.6 in quarter and $11.8 in half from discontinuation, 1985 results

Consolidated Papers

	1986	1985
	148.9	187.2
	24.91	29.24
	1.14	1.35
	1986	1985
	326.9	374.4
	48.94	54.75
	2.22	2.61

Security Pacific Texas

	1986	1985
	15.12	14.57
	8.36	8.31
	1986	1985

Net Inc.	(a)217.2	23.42
Per Share	—	0.44

a: loss. Results restated for adoption of financial accounting standards board statement number 87 covering pension accounts.

General Electric

2nd Quar.	1986	1985
Revenue	7,770.	6,840.
Net Inc.	421.0	390.0
Per Share	1.34	1.30
1st Half	1986	1985
Revenue	13,670.	13,046.
Net Inc.	1,588.	1,100.
Per Share	2.54	2.62

General Mills

4th Quar.	1986	1985
Revenue	1,140.	1,070.
Net Inc.	42.2	(a)106.5
Per Share	0.94	—
Year	1986	1985
Revenue	4,590.	4,290.
Net Inc.	183.5	(a)172.9
Per Share	4.11	—

a: loss. 1985 net results restated to reflect discontinued operations. 1985 net includes loss of $108.6 million in quarter and $44 million in year from discontinued operations.

Owens-Illinois

2nd Quar.	1986	1985
Revenue	958.5	953.1
Net Inc.	36.1	45.4
Per Share	0.91	0.74
1st Half	1986	1985
Revenue	1,820.	1,810.
Net Inc.	84.9	66.6
Per Share	1.41	1.09

Raytheon

2nd Quar.	1986	1985
Revenue	1,830.	1,680.
Net Inc.	99.8	94.1
Per Share	1.28	1.14
1st Half	1986	1985
Revenue	3,550.	3,130.
Net Inc.	192.1	181.8
Per Share	2.47	2.18

Riggs National

2nd Quar.	1986	1985
Net Inc.	8.99	8.56
Per Share	0.65	0.69
1st Half	1986	1985
Net Inc.	21.36	15.56
Per Share	1.66	1.30

1986 half pre-tax securities gains were $14.5 million vs. $11.3 million, provision for loan losses $8 million vs. $6.3 million, net charge-offs $1 million vs $6 million.

Safeway Stores

2nd Quar.	1986	1985
Revenue	4,570.	4,540.
Net Inc.	45.6	49.9
Per Share	0.75	0.83
1st Half	1986	1985
Revenue	9,032.	9,105.
Net Inc.	72.4	96.
Per Share	1.19	1.26

1986 net includes gain of $8.2 million in quarter and $12.9 million in half from change in pension accounting.

Sonoco Products

2nd Quar.	1986	1985
Revenue	247.5	231.2
Net Inc.	15.4	13.6
Per Share	0.70	0.63
1st Half	1986	1985
Revenue	473.1	416.0
Net Inc.	27.0	24.4
Per Share	1.23	1.12

Southeast Banking

2nd Quar.	1986	1985
Net Inc.	27.2	10.2
Per Share	1.07	0.48
1st Half	1986	1985
Net Inc.	40.8	24.9
Per Share	2.09	1.35

1986 net includes loan loss provisions of $14.3 million vs $33 million in quarter and $27.5 million vs $32.9 million in half. 1985 quarter net includes $884,000 tax credit and charge of $4.9 million from special items net.

Tyco Laboratories

4th Quar.	1986	1985
Revenue	285.3	146.5
Net Inc.	10.42	4.78
Per Share	0.59	0.36
Year	1986	1985
Revenue	795.4	521.9
Net Inc.	37.5	25.11
Per Share	2.17	1.87

1986 net includes extraordinary gain of $2.1 million on replacement of pension plan. 1985 net includes gain of $200,000 on sale of assets. 1985 net also includes gain of $3.9 million in year and $800,000 in quarter from partial settlement. 1986 results adjusted to reflect two-for-one stock split.

Walgreen

3rd Quar.	1986	1985
Revenue	913.9	792.6
Net Inc.	24.06	21.49
Per Share	0.39	0.35
9 Months	1986	1985
Revenue	2,720.	2,389.
Net Inc.	76.94	68.09
Per Share	1.25	1.11

West Germany

Bosch (Robert)

Year	1986	1985
Revenue	21,220.	18,570.
Profits	402.1	445.8

OWENS BANK LIMITED

Blue Caribbean Building, Bay Street, P.O. Box 178, Kingstown, State of St. Vincent & the Grenadines, W.I. (Caribbean Area). Telex: 7529 BANKOWEN VQ OR 7592 BANKOWEN VQ.

IMPORTANT NOTICE

NOTICE IS HEREBY GIVEN TO THE HOLDERS OF "CERTIFICATS DE DEPOT BLOQUES" BOUND TO "OBLIGATIONS DE CAISSE DE CROISSANCE, BUY PUT/CALL SPREAD CONTRACT" ISSUED BY OWENS BANK LIMITED TO CONTACT EXCLUSIVELY OUR REGISTERED OFFICE IN KINGSTOWN FOR ANY INFORMATION IN CONNECTION WITH THE ABOVE-MENTIONED CERTIFICATES. OWENS BANK LIMITED HAS NEITHER BRANCHES NOR REPRESENTATIVE OFFICES IN EUROPE.

OWENS BANK LIMITED
The Management

CAISSE CENTRALE DE COOPERATION ECONOMIQUE

LOAN OF U.S. $50,000,000.— LOATING RATES 1978/1998 UNCONDITIONALLY GUARANTEED BY THE FRENCH STATE

We inform Bondholders that the U.S. $3,330,000.— instalment due for amortisation on August 13, 1986 has been met by a draw by lot in the presence of Madame Jeanne HOUSSE, Notary Public in Luxembourg.

Consequently, the 3,330 bonds of U.S. $1,000 numbered:

1739 to 5088

inclusive, will be redeemable at par, coupon n° 17 and subsequent attached, as from August 13, 1986, date at which they will cease to bear interest.

Redemption of bonds and payment of interests will take place at the following Banks:

— CRÉDIT LYONNAIS, Luxembourg;
— BANKERS TRUST COMPANY, New York;
— BANQUE BRUXELLES LAMBERT S.A., Brussels;
— BANQUE NATIONALE DE PARIS, Paris;
— COMMERZBANK AKTIENGESELLSCHAFT, Frankfurt;
— CRÉDIT LYONNAIS, London;
— CRÉDIT SUISSE, Zürich.

Outstanding amount after this third amortisation:

U.S. $40,010,000.—.

The Fiscal Agent
CRÉDIT LYONNAIS - LUXEMBOURG

INCAMERICA N.V.

Notice of an Extraordinary General Meeting of shareholders to be held on July 28, 1986.

To the Shareholders of Incamerica N.V.

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Incamerica N.V., (The 'Company') will be held at the registered office of the company, De Ruyterkade 62, Curaçao, Netherlands Antilles, on July 28, 1986, at 11:15 a.m., Netherlands Antilles time.

Agenda of the meeting is:
— To amend the articles of incorporation in order to increase the company's authorized capital to U.S. 3,000,000.00;
— To appoint Mr. Baruch Halpern as a supervisory director of the company;
— To transact such other business as may come before the meeting.

In order to attend the Extraordinary General Meeting of Shareholders, Holders of bearer certificates must deposit their shares (or a deposit receipt for their shares) before the meeting between July 10, and July 21, 1986, at the registered office of the company, at the Ruyterkade 62, Curaçao, Neth. Antilles, against a receipt which must be represented at the meeting.

CURAÇAO CORPORATION COMPANY N.V.
Managing Director

Business Established 1818

BROWN BROTHERS HARRIMAN & CO.
PRIVATE BANKERS

NEW YORK BOSTON PHILADELPHIA CHICAGO
ST. LOUIS LOS ANGELES DALLAS NAPLES
LONDON PARIS ZURICH TOKYO GRAND CAYMAN GUERNSEY

STATEMENT OF CONDITION, JUNE 30, 1986

ASSETS

Cash and Due from Banks	$185,755,847
U.S. Government Securities,	
Direct and Guaranteed	34,474,089
State and Municipal Securities	213,584,217
Federal Funds Sold	115,000,000
Loans and Discounts	295,551,078
Customers' Liability on Acceptances	16,304,838
Interest and Other Receivables	37,900,489
Premises and Equipment, net	19,279,437
Other Assets	6,874,106
	$934,724,111

LIABILITIES

Deposits	$812,786,549
Federal Funds Purchased	17,450,000
Acceptances: Less Amount in Portfolio	16,784,838
Accrued Expenses	12,800,573
Other Liabilities	13,162,151
Capital	24,000,000
Surplus	37,940,000
	$934,724,111

PARTNERS

J. Eugene Banks, Peter B. Bartlett, Walter H. Brown, Granger Costikyan, Alan Crawford, Jr., William R. Driver, Jr., Anthony T. Enders, Alexander T. Ercklentz, T. M. Farley, Elbridge T. Gerry, Elbridge T. Gerry, Jr., John C. Hanson, Noah T. Herndon, Landon Hilliard III, Frank W. Hoch, R. L. Ireland III, F. H. Kingsbury, Jr., Michael Kraynak, Jr., T. Michael Long, John B. Madden, Michael W. McConnell, William H. Moore III, Donald B. Murphy, Eugene C. Rainis, William F. Ray, Robert V. Roosa, L. Parks Shipley, Stokley P. Towles, Lawrence C. Tucker, Maarten van Hengel, John C. Weiss, Laurence F. Whittemore

LIMITED PARTNERS

W. Averell Harriman, Kate Ireland, Gerry Brothers & Co., Robert E. Hunter, Jr., Merchant-Sterling Corporation

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Deposit Accounts • Commercial Loans and Discounts
Commercial Letters of Credit and Acceptances • Foreign Exchange
Domestic and International Corporate Financial Counseling
Merger and Acquisition Services
Custody of Securities
Investment Advisory Service
Institutional Investment Services
Personal Financial Services
Brokers for Purchase and Sale of Securities
Members of Principal Stock Exchanges

Fiduciary services are provided through Brown Brothers Harriman Trust Company, New York, and Brown Brothers Harriman Trust Company of Florida, Naples.

Licensed as Private Bankers and subject to supervision and regulation by the Superintendent of Banks of the State of New York and by the Department of Banking of the Commonwealth of Pennsylvania. Subject to supervision and examination by the Commissioner of Banks of the Commonwealth of Massachusetts. The bankers of the Chicago St. Louis Los Angeles Dallas, Naples London, Paris, Zurich, and Tokyo offices are limited to investment management, brokerage and financial advisory services.

Thursday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

French Inflation Rate Stabilizes

Reuters

PARIS — French year-on-year inflation stabilized for the first time in June after more than a year of decline, the National Statistics Institute said Thursday.

An INSEE spokeswoman said retail prices rose a provisional 0.3 percent in June after 0.2 percent in May. Year-on-year, inflation was a provisional 2.3 percent in June, unchanged from May. It was the first time since May 1985 that the year-on-year rate had not fallen.

U.S., Japan Fail to Reach Pact in Tobacco Dispute

Reuters

WASHINGTON — The United States, after attempting unsuccessfully to open the Japanese market to its tobacco products, is prepared to retaliate, U.S. trade officials said Thursday.

Japanese and U.S. negotiators have held three rounds of talks since President Ronald Reagan announced in September that he would try to open the Japanese market to U.S. tobacco products.

But a trade official, who asked not to be identified, said an accord was not in sight. A fourth round of talks is set for late this month or early August. If an accord is not reached by September, the U.S. trade representative, Clayton K. Yeutter, will recommend Mr. Reagan take trade action "to make it attractive for Japan to open its markets," the official said.

AMEX Highs-Lows

NEW HIGHS 6

BrownF pf, DickensnMnA g, Harley n, Lib…, PennRE, SDie 5pf

NEW LOWS 13

Asamera g, BeldenBlke, Castleind, Com…, Ducommun, ESD, Iroquois Bd, Laser, MotrlRsh, MtoPl n, NoCdnO g s, Serv…, SwstRity

ADVERTISEMENT

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 10 July 1986

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price. The marginal symbols indicate frequency of quotations supplied: (d) – daily; (w) – weekly; (b) – bi-monthly; (r) – regularly; (i) – irregularly.

Other Funds

DM - Deutsche Mark; BF - Belgium Francs; FL - Dutch Florin; LF - Luxembourg Francs; ECU - European Currency Unit; SF - Swiss Francs; a - asked; + - Offer Prices; b - bid change P/V $10 to $1 per unit; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; *** - Gross Performance Index December; • - Redempt- Price- Ex-Coupon; ** - Formerly Worldwide Fund Ltd; @ - Offer Price incl. 3% prelim. charge; ++ - daily stock price as on Amsterdam Stock Exchange

Floating-Rate Notes

July 10

Dollars

Pounds Sterling

Deutsche Marks

E.C.U.

Japanese Yen

Source: Credit Suisse-First Boston London

NOTICE OF REDEMPTION

KINGDOM OF DENMARK

6¾% 1972-1987

Lux.Fr. 800,000,000.—

Bondholders are hereby informed that the annual redemption instalment of Lux.Fr. 80,000,000.— due on August 14, 1986 has been effected by drawing by lot.

The following bond numbers have been drawn by lot in the presence of a notary public and become redeemable at par on and after August 14, 1986 with all unmatured coupons attached thereto:

11226-11320, 12033-12049, 12078-12096, 12103-12104, 12456-12463, 12543-12592, 12601-13804, 13891-13907, 13910-13920, 13986-14000, 14376-14378, 14383-14391, 15001, 15006-15032, 15053-15054, 15080-15086, 15302-15414.

Furthermore it is recalled that the following bonds drawn in previous years have not yet been presented for payment:

1378-1379, 1509-1510, 2427-2428, 3066-3069, 3151-3152, 3725-3726, 6315-6316, 6320-6329, 6367-6380, 6465, 6547-6548, 6821-6824, 6927-6928, 6975-6984, 6991-6992, 7000, 7101, 7107-7108, 7111-7122, 7128-7133, 7154-7163, 7172-7182, 7188, 7193, 7261-7265, 7277-7278, 7567, 8404, 10272-10287, 10993-11000, 11092.

The nominal amount of bonds outstanding on and after August 14, 1986 will be Lux. Fr. 80,000,000.—.

BANQUE INTERNATIONALE À LUXEMBOURG
Société Anonyme
Principal Paying Agent

Luxembourg, July 11, 1986.

مكتبة الأصيل

BUSINESS PEOPLE

Landor Opens Asian Headquarters in Hong Kong

By Brenda Erdmann
International Herald Tribune

LONDON — Landor Associates, the design consultancy, has opened a new Asian headquarters in Hong Kong.

The office will manage all of the company's projects in Southeast Asia, an area Landor Associates expects to be one of its fastest-growing markets in the next 10 years. Previously these projects were handled by the Tokyo office, which will now cater solely for the growing Japanese market.

Ian Taylor, who formerly was with Landor in San Francisco, is head of the Asian office.

Landor Associates' design projects in Asia include the environmental design of the Hong Kong Space Museum, as well as a corporate identity system for the Hong Kong trading group of Jardine, Matheson & Co. and one for Metro, the largest and fastest-growing department store chain in Southeast Asia.

Rabobank Nederland has opened three offices in Asia to deal with further growth in trade between the region and Europe and North America. The Utrecht-based cooperative bank said Gijs van der Schrieck will head a new branch in Singapore, Sjouke Postma will head a representative office in Hong Kong and Henk Adams a representative office in Jakarta.

E.F. Hutton & Co. said Peregrine Moncreiffe, formerly executive director of Shearson Lehman Brothers International Inc., will join its ranks on Monday as executive vice president and managing director of E.F. Hutton & Co. and as managing director of E.F. Hutton & Co. London Ltd. Mr. Moncreiffe will be based in London and will be responsible for all international institutional sales and fixed-income trading activities.

Banque de Gestion Privée said Raymond Bultrowicz has joined the bank as head of private clients from a similar position at Morgan Guaranty Trust Co. of New York in Paris.

Banco Espirito Santo e Comercial de Lisboa has appointed Ian Brodie and Pedro S. de Almeida as general managers of its London branch. Mr. de Almeida was deputy general manager of the branch and Mr. Brodie was at Lloyds Bank as chief manager, bank relations. They succeed Robert B. Botcherby, who in March became managing director of Republic National Bank of New York (Guernsey) Ltd.

Emery Air Freight Corp. has named Jan Schenkels as sales manager at its European headquarters in Zurich. He was in the head office in Wilton, Connecticut. Emery has recently completed a review of its product range and has launched new services on a worldwide basis. The moves are associated with Emery expanding its courier express market in Europe.

Morgan Grenfell Asset Management Ltd. has elected Ian Hay Davison a nonexecutive director. From 1983 until earlier this year, he was a deputy chairman and chief executive of Lloyd's.

Bayer U.K. Ltd., the British arm of the West German chemicals concern, has named Dieter Lonishen chief executive of its agrochemical division. He was previously managing director of the crop protection division of Bayer Tarim in Istanbul. He succeeds Kurt Bachem, who retired.

CREDIT: *Banking Shifts*

(Continued from first finance page.)

and loans to banks rose 1 point, to 27.3 percent.

This trend was especially pronounced in lending to developed countries other than those whose banking systems report to the BIS. In this group, ranging from Portugal, Norway, Greece and Turkey to Australia, New Zealand and South Africa, "credit growth was entirely in the form of interbank lending.

The share of credits to the public sector decreased 4 percentage points to 25.4 percent, and that of credits to the private non-bank sector contracted to 37.8 from 39.6 percent."

For the universe covered by the report — non-financial market center countries — short-term lending accounted for 43.7 percent of the total, up from 41.7 percent in the previous period.

Credit commitments that have been made but not disbursed rose to $93.2 billion, virtually no change in relation to total outstanding claims — 16 percent of the total at yearend compared to 15.7 percent of the total at mid-year.

However, Eastern Europe's undisbursed credits rose almost $3 billion. This was concentrated in the Soviet Union, whose unused facilities rose to 19.7 percent of actual debts from 13.5 percent in the previous six months.

Undrawn credits available to non-OPEC developing countries stabilized at 12 percent of credits outstanding, after declining substantially in previous years.

In Latin America, short-term debt increased "markedly" — from 27 to 31 percent in Brazil and from 26 to 28 percent in Mexico, "probably largely as a result of the maturing of outstanding credits and their rolling-over as short-term loans," the report stated.

In China, the largest borrower in Asia, taking $3.1 billion in new credits during the second half of last year, most of the new borrowing was short-term, with the up-to-one-year bracket increasing to 71.5 from 69.1 percent previously.

Unused credit facilities also increased sharply, by about $2 billion to $5.3 billion.

CURRENCY MARKETS

Dollar Ends Mixed in Thin Trading

Compiled by Our Staff From Dispatches

NEW YORK — The dollar ended mixed Thursday in Europe and New York. Trading was slow and directionless, dealers said, amid confusion about when, and if, the U.S. discount rate would be cut.

The Federal Reserve Board's discount-rate cut came too late in the session to affect trading. The U.S. central bank lowered its rate on loans to financial institutions to 6 percent from 6½ percent.

"The dollar barely traded in a 1-pfennig range" against the West German Deutsche mark, a bank dealer said in New York. "There was no news to influence the market and thus very little interest or volume."

"People keep discussing a discount rate cut, but the timing of a U.S. move is not clear despite the speculation that it is imminent," the dealer said before the reduction was announced. "In any event, you can argue that a rate reduction has been in the market for so long that it has already been discounted in current rates."

London Dollar Rates

Closing	Thu.	Wed.
Deutsche mark	2.1743	2.1858
Pound sterling	1.5155	1.5240
Japanese yen	160.35	161.05
Swiss franc	1.7773	1.7861
French franc	6.9766	7.0040

Source: Reuters

In New York, the dollar closed unchanged against the Deutsche mark, at 2.2175 DM.

But it rose to 6.9715 French francs from 6.9655 on Wednesday, to 1.7745 Swiss francs from 1.7725, and to 160.05 yen from 159.95. It rose more sharply against the pound, to $1.5165 from $1.5320 on Wednesday.

In Europe, the dollar was mostly lower. Dealers said the dollar found support after senior West German and Japanese financial officials dashed speculation of an immediate cut in their countries' discount rates.

In London, the dollar fell to 2.1743 Deutsche marks from 2.1858 DM on Wednesday, and to 160.35 yen from 161.05 yen. In Tokyo, however, it gained slightly to close at 160.35 yen from 159.90.

Traders said most of the attention was focused on sterling, which fell sharply on lower oil prices. Dealers said a further drop is expected, though not the steep plunge seen in the first quarter of this year, when oil prices plummeted.

In London, the pound fell to $1.5155 from $1.5240 on Wednesday, and to 3.2953 DM from 3.3313 DM.

One dealer said that amid confusion about what could happen to U.S. and other interest rates, traders switched their attention to sterling. North Sea oil continued to trade Thursday below $10 a barrel.

In other European trading, the dollar was fixed in Frankfurt at 2.1749 DM, down from 2.1798 DM Wednesday. In Paris, it was fixed at 6.9760 Franch francs, down from 6.9960, while in Zurich it fell to 1.7743 Swiss francs from 1.7788.

(AP, UPI, Reuters, IHT)

HUNGARY: *Bond Sales Pique Widespead Interest*

(Continued from first finance page)

enterprises. Instead, the largest, most sluggish, least flexible plants drain disproportionately large amounts of investment money.

Sometimes the directors of firms and the bureaucrats who decide investment flows are linked through party cronyism. Sometimes it is simply a matter of subsidizing an inefficient steel plant or mine and to keep it going because the alternatives — laying off workers, shutting down production — are politically dangerous.

One benefit of the bond scheme is that it forces enterprises to compete for investments," Mr. Jarai said. "We hope that people will put their money in the best investments and that their choices will force the enterprises to increase their efficiency."

The government now considers the bonds such good bargains that it exempts interest payments from income taxes.

In its short history, the bond market has developed a few wrinkles. One of these involves the Postal Administration, which needs money to modernize its telephone system. Bonds were offered paying 10 percent, but purchasers were also given a guarantee of a telephone to be installed within two years, eight years less than the normal waiting time. The offer applies only to the original bond purchaser, and as a result the price of the telephone bond on the secondary market has dropped by a fourth of its issue price.

Other innovations flirt with stock ownership, a concept that clearly conflicts with Marxist theory. Bonds, after all, do not signify ownership; shares of stock do. So far, Mr. Jarai's division has underwritten stock offerings but these can be purchased and traded only by government enterprises. In effect, this means that new companies are formed with capital raised from other government companies through stock issues.

As explained by Mr. Jarai, the new companies are not themselves government enterprises. There is even a prospect that government enterprises may function the way holding companies do. About 30 to 40 such companies have been organized, including the Club Tihany, a luxury resort on the shores of Lake Balaton that caters to foreign tourists.

Another innovation, seen by some as a step toward equity investments by the public at large, is an issue that Mr. Jarai describes as a hybrid, with elements of both a bond and a share of stock. Like bonds, the issue is sold to cover a fixed period, but like stocks, it provides for fluctuating interest geared to the size of company profits.

Mr. Jarai, 40, said criticism of the securities operation had come from two quarters.

"There is the technical opposition of some bankers, who feel that the average 11-percent interest on bonds is too high and that it may dry up the reserves in savings deposits," he said. "They point out that shifts in reserves complicate the jobs of central planners. The second source of attack reflects social attitudes. Occasionally someone will come in and say the bonds are only for rich people, that they provide a license to prosper and that they violate egalitarian principles."

Mr. Jarai says he understands the reasons for the criticism, but he feels that opposition will abate as more people come to understand how the market works. "I am very optimistic," he said.

EDI: *New Standards*

(Continued from first finance page)

completing a doctoral thesis on EDI at Ohio State University. "That has led to sort of a partnership relationship, rather than an adversary relationship."

At present, the main electronic transactions are purchase orders and invoices. But gradually the concept is extending to other documents, such as shipping manifests and requests for prices. In the future, payments may also be made electronically.

Still, paper is not going to disappear overnight. Smaller companies will resist computerizing. Some companies worry about the security of electronic networks. Still others will prefer to keep paper records for their auditors.

Input Inc., a Mountain View, California, market research firm, estimates that expenditures in the United States on computer services, software and transmission for EDI will double every year, from $38 million in 1985 to $1.14 billion in 1990. Still, Input estimates that the number of electronic documents sent will be a small percentage of the tens of billions of business documents sent by mail.

THE EUROMARKETS

Prices Firm as Cut in U.S. Rates Is Awaited

By Christopher Pizzey
Reuters

LONDON — The dollar-straight sector of the Eurobond market ended ⅛ to ⅜ point firmer Thursday after a fairly active day of trading. The gains in the secondary market prompted the launch of three new dollar straights.

Dealers said that the market has again become more optimistic over the prospects of a cut in the U.S. discount rate. But trading was a little more cautious in the morning following news that the Japanese central bank governor, Satoshi Sumita, had said that he has no plans to cut the Japanese discount rate.

The day's first new issue was a $100-million bond for Nippon Credit Bank (Curaçao) NV, guaranteed by Nippon Credit Bank. The seven-year issue pays 8 percent and was priced at 101. It was led by Nippon Credit International Ltd. It ended on the gray market at a discount of 1⅝ compared with the total fees of 1⅞ percent.

Later, Chase Manhattan Ltd. launched a $100-million bond for Creditanstalt Bankverein. The seven-year issue pays 8 percent and was priced at 101. It ended at a discount of about 1 15/16 against the 1⅞-percent fees.

France's Crédit d'Equipement de Petites et Moyennes Enterprises issued a $100-million, five-year bond paying 7⅝ percent and priced at 101¼. The lead manager was Morgan Guaranty Ltd. It ended at a discount of 1 15/16 compared with the 1⅞-percent fees.

In the sterling-straight sector, the Halifax Building Society issued a £100-million bond paying 9⅝ percent over seven years and priced at 100⅝. It was led by Morgan Grenfell & Co., which quoted it at a discount of about 2, outside the total fees of 1⅞ percent.

The expected £50-million bond for Kyushu Electric Power Co. emerged during the day paying 9⅞ percent over seven years and priced at 101⅝. The lead manager was S.G. Warburg & Co. It was bid on the full fees of 1⅞ percent.

Also during the day, GBL Finance issued a 600-million-French-franc bond with equity warrants attached. It was guaranteed by Group Bruxelles Lambert and ended within the selling concession.

Fed Says M1 Edged Up $100 Million in Week

The Associated Press

NEW YORK — The basic measure of the U.S. money supply edged up $100 million in late June, the Federal Reserve said Thursday.

The basic money supply, called M-1, climbed to a seasonally adjusted average of $666.3 billion in the week ended June 30 from $666.2 billion the previous week, the central bank said. M-1, which represents funds readily available for spending, includes cash in circulation, checking deposits and nonbank traveller's checks.

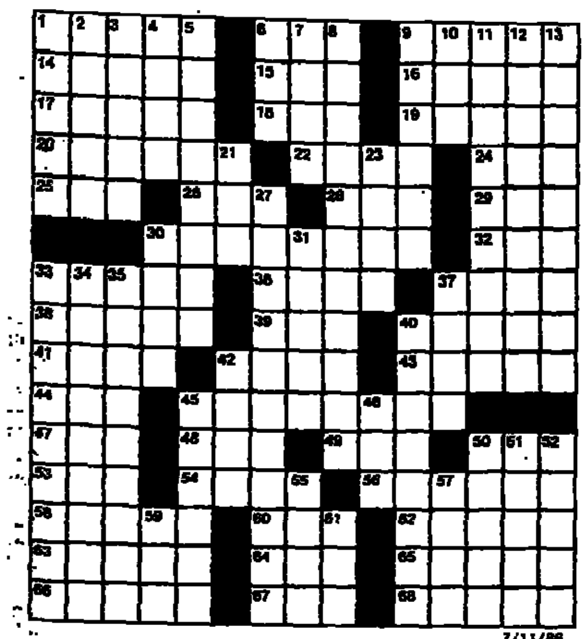
Thursday's OTC Prices

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High	Low	Stock	Div.	Yld.	Sales in 100s	High	Low	3 P.M.	Net Ch'ge
A									
		ADC s			30	19½	19	19¼	+ ¼
		AEL			7	12¾	12¼	12¾	− ⅛
		ASK			128	10¾	10	10	
		Acadin			1½	3	3	3	− ⅛
		Acelrn			12	12½	12¼	12¼	+ ¼
		AcuRay	.24	1.1	424	22	22	22	− ⅛

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.



7/11/86

ACROSS

1 Indian state
6 Tot
9 Stock cert. words
14 Strummer's instrument
15 Dead Red head
16 Fanon
17 Relating to birds
18 Fire or strong follower
19 Shea stad. canvasses
20 Lemon kin
22 Auction action
24 Guevara
25 Officeholders
26 Willie of boxing fame
28 Society-page word
29 Emoter
30 Seeps away from
32 Reflux
33 Moonshiner's rig
36 Cane liquors
37 Bobbin
38 Bon-bon
39 Miss Hogg of Texas
40 Brahman, e.g.
41 Trajectories
42 Evian and Baden
43 Snafu
44 Scottish explorer
45 Supermarket help
47 Printers' measures
48 Tidbit for Trigger
49 Norm: Abbr.
50 Gibbon
53 U.S. coppers
54 These can cause a fall
56 Yule quaff
58 "Uhuru" author
60 D.D.E.
62 Similar
63 Cleveland's Secretary of State
64 Trouble
65 Ancient law-giver
66 Andre the pianist
67 Agent
68 First German president

DOWN

1 Counters
2 Juniper
3 Agitated states
4 Slightly open
5 What A.T.&T. once had
6 Doctors' org.
7 A real beaut
8 Carnival disguises
9 Like wet concrete
10 "Kia ——!" (Aussie toast)
11 Old board game
12 Sets of runes
13 Looks like
21 Pince-——
23 —— Fidius (Jupiter)
27 Plot reversals in novel
30 Ransom that was paid for cars?
31 Noxious shrub
33 "Oz" role
34 Hairy arachnid
35 Unceasing
37 Namath's last team
40 Napoleon, e.g.
42 Holmes vehicle
45 Brother of Skeezix et al.
46 Nice season
50 Aromatic herb
51 Draw or strip ——
52 Discharge
55 Omit
57 Big lump
59 Soak flax
61 Cathedral city in England

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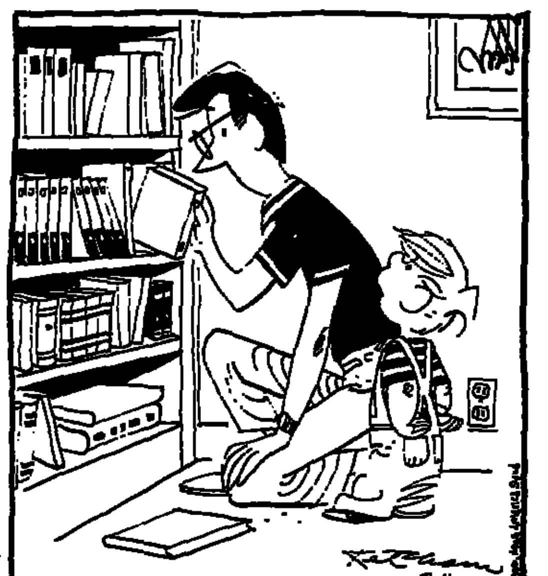
DENNIS THE MENACE



"DID YOU ALWAYS DO EVERYTHING YOUR MOM AND DAD TOLD YOU TO DO...OR WERE YOU A NORMAL KID?"

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

GYROL

GURAU

FLENNE

CHISPY

WHAT A DANCER'S REPUTATION OFTEN RESTS UPON.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here:

(Answers tomorrow)

Yesterday's | Jumbles: CROAK SUEDE PANTRY HOTBED
Answer: How an osteopath works his fingers— TO YOUR BONES

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	26	79	16	61	fr
Amsterdam	18	64	13	55	sh
Athens	31	88	22	72	fr
Barcelona	28	82	19	66	fr
Belgrade	23	73	11	52	cl
Berlin	15	59	11	52	o
Brussels	16	61	13	55	sh
Bucharest	22	72	13	55	cl
Budapest	22	72	10	50	cl
Copenhagen	17	63	9	48	cl
Costa Del Sol	26	79	20	68	o
Dublin	14	57	13	55	r
Edinburgh	14	57	8	46	r
Florence	29	84	15	59	fr
Frankfurt	16	61	12	54	sh
Geneva	20	68	10	50	fr
Helsinki	19	66	9	48	o
Istanbul	28	82	18	64	fr
Las Palmas	23	73	19	66	o
Lisbon	23	73	14	57	o
London	18	64	14	57	r
Madrid	34	93	18	64	fr
Milan	28	82	16	61	fr
Moscow	21	70	17	63	sh
Munich	15	59	11	52	sh
Nice	27	81	20	68	fr
Oslo	19	66	10	50	fr
Paris	18	64	12	54	o
Prague	13	55	12	54	r
Reykjavik	12	54	7	45	fr
Rome	28	82	17	63	fr
Stockholm	16	61	10	50	sh
Strasbourg	19	66	14	57	cl
Venice	25	77	15	59	fr
Vienna	18	64	14	57	sh
Warsaw	17	63	9	48	cl
Zurich	19	66	12	54	cl
MIDDLE EAST					
Ankara	28	82	13	55	fr
Beirut	—	—	—	—	na
Damascus	37	99	18	64	fr
Jerusalem	29	84	15	59	fr
Tel Aviv	31	88	22	72	fr
OCEANIA					
Auckland	14	57	11	52	sh
Sydney	15	59	8	46	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	26	79	cl
Beijing	29	84	22	72	o
Hong Kong	33	91	29	84	cl
Manila	27	81	23	73	r
New Delhi	30	86	26	77	cl
Seoul	28	82	24	75	o
Shanghai	32	90	26	79	o
Singapore	28	82	26	79	sh
Taipei	34	93	26	79	fr
Tokyo	26	79	23	73	sh
AFRICA					
Algiers	32	90	17	63	fr
Cairo	34	93	21	70	fr
Cape Town	18	64	11	52	o
Casablanca	24	75	20	68	o
Harare	17	63	6	43	cl
Lagos	25	77	24	75	r
Nairobi	21	70	11	52	o
Tunis	33	91	22	72	fr
LATIN AMERICA					
Buenos Aires	21	70	13	55	fr
Caracas	27	81	20	68	r
Lima	17	63	15	59	o
Mexico City	23	73	13	55	pc
Rio de Janeiro	—	—	—	—	na
NORTH AMERICA					
Anchorage	19	66	10	50	pc
Atlanta	37	99	24	75	fr
Boston	26	79	16	61	fr
Chicago	26	79	16	61	pc
Denver	31	88	13	55	fr
Detroit	26	79	14	57	fr
Honolulu	32	90	24	75	pc
Houston	34	93	24	75	pc
Los Angeles	27	81	17	63	fr
Miami	32	90	24	75	pc
Minneapolis	27	81	16	61	pc
Montreal	28	82	16	61	cl
Nassau	31	88	22	72	fr
New York	30	86	20	68	fr
San Francisco	20	68	12	54	fr
Seattle	21	70	13	55	r
Toronto	28	82	17	63	cl
Washington	37	88	21	70	fr

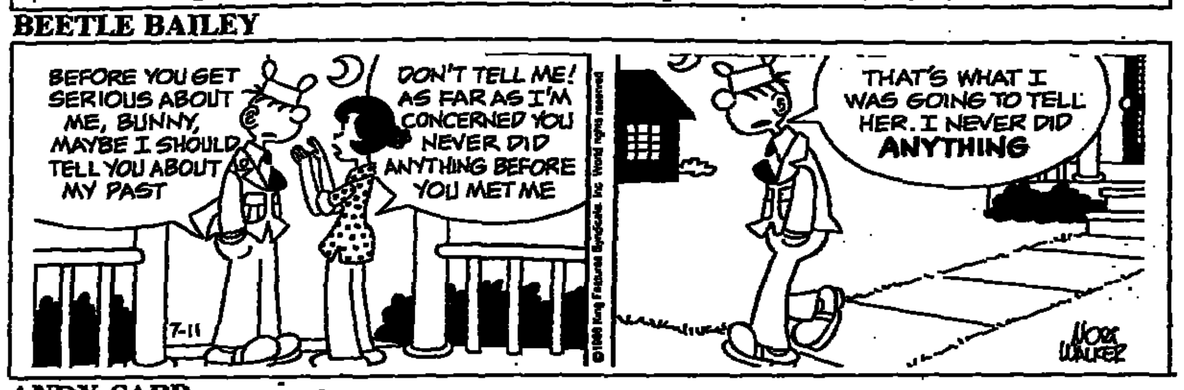
cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

FRIDAY'S FORECAST — CHANNEL: Slightly choppy. FRANKFURT: Rainy. Temp. 17—9 (63—48). LONDON: Rainy. Temp. 18—13 (64—55). MADRID: Fair. Temp. 34—16 (93—61). NEW YORK: Fair. Temp. 28—19 (82—66). PARIS: Cloudy. Temp. 19—12 (66—54). ROME: Fair. Temp. 28—18 (82—64). TEL AVIV: NA. ZURICH: Fair. Temp. 20—13 (68—55). BANGKOK: Stormy. Temp. 34—26 (93—79). HONG KONG: Cloudy. Temp. 29—26 (84—79). MANILA: Stormy. Temp. 26—24 (79—75). SEOUL: Rainy. Temp. 29—20 (84—68). SINGAPORE: Stormy. Temp. 30—26 (86—79). TOKYO: Foggy. Temp. 26—22 (79—72).

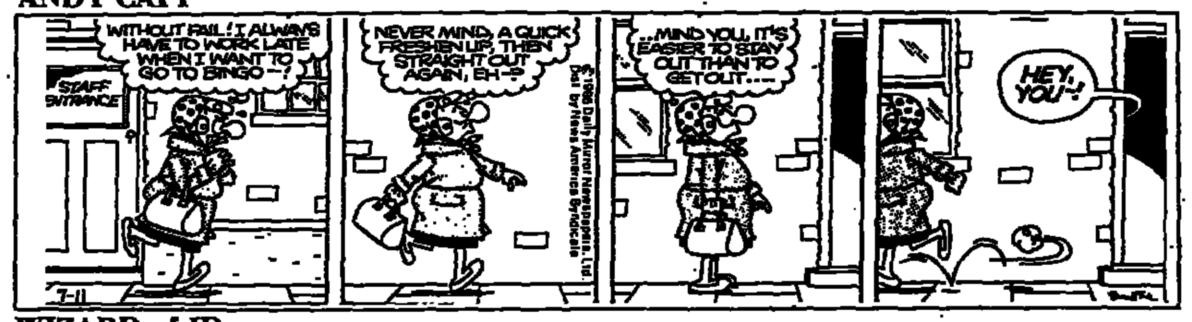
PEANUTS

BLONDIE

BEETLE BAILEY



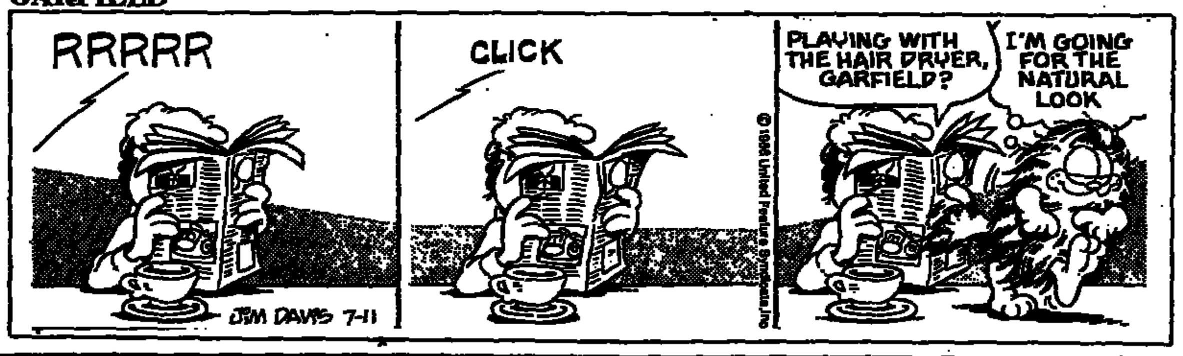
ANDY CAPP



WIZARD of ID

REX MORGAN

GARFIELD



Herald Tribune. INTERNATIONAL
BUSINESS/FINANCE

BIGGER & BETTER.

The Trib's business section is now bigger and better than ever. Every day it's packed with the business news you need. And much, much more.

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Tuesday: International Stock Markets and Futures and Options.
Wednesday: International Manager.
Thursday: Wall Street Watch.
Friday: Technology.
Saturday: Economic Scene/Business Profile.
Wednesday/Thursday/Friday: Business People.
Tuesday through Saturday: Currency Markets/Euromarkets.

Personal Investing on the second Monday of every month.
And the latest financial figures every day.

BOOKS

KATE VAIDEN

By Reynolds Price. 306 pages. $16.95. Atheneum, 597 Fifth Avenue, New York, N. Y. 10017.

Reviewed by Michiko Kakutani

IN his 14th book, Reynolds Price returns to the hill country of North Carolina that he mapped out so persuasively in his first novel, "A Long and Happy Life," which established him as one of the most promising heirs of the Southern Renaissance two and a half decades ago.

If the fiction written by Price in the intervening years has traced a somewhat uneven course — many of his short stories have tended to be forced and overly lapidary in style, the novels intermittently mannered and repetitious — "Kate Vaiden" stands as a fierce validation of that early promise. At once tender and frightening, lyrical and dramatic, this novel is the product of a storyteller working at the full height of his artistic powers, recapitulating with a new ease the themes of memory and familial love that have informed his work from the beginning.

Like most of Price's heroes and heroines, Kate Vaiden is someone in search of love and safety and a home — the very things that will always elude her; and like them, she is a Southerner, who is trying simultaneously to escape from and recapture her past. Right off, she tells us that she is "nothing but a real middle-sized white woman that has kept on going with strong eyes and teeth for fifty-seven years," but as she relates her story, we are brutally made to realize the consequences that her family history has had on her life, and the consequences, in turn, that her anger and hurt will have on those around her.

Though Kate's story is a violent one in the best Southern Gothic tradition — the novel numbers at least half a dozen untimely deaths, as well as several stabbings — Price orchestrates it so convincingly that each event comes to feel like an inevitable act, a product equally of fate and temperament and will. Kate's maternal grandparents, we learn, died when her mother was 8, and Kate loses both parents when she is 11: Her father shoots her mother, then himself, after seeing his wife with another man. To Kate, their deaths constitute an absurd betrayal of their mutual love, as well as an act of abandonment that will leave her adrift in a newly precarious world.

At first, however, it appears that Kate is going to emerge intact. While her parents' deaths haunt the margins of her dreams, she is a strong, spirited girl, much loved by her Aunt Caroline and her cousins, and they take her in and attempt to give her a new life. Kate has a chatty, idiomatic way of speaking — she's especially fond of such down-home similies as "nervous as a hamster" and "cold as scissors" — and as she speaks of her time with her cousins, her life takes on the wonderfully palpable texture of the ordinary.

We are allowed to see, as in a home movie, the pleasure she takes in receiving a gift from her favorite teacher (a glass paperweight containing a miniature sea horse), the embarrassment she experiences in coping with her changing adolescent body and the sheer joy she discovers when she falls in love with a boy named Gaston. "Maybe in the four years since Dan and Frances died," she recalls, "I'd pulled a thick curtain on even the idea that people could swear they needed you one night, then vanish by morning. I'd started believing people meant all they said."

Kate begins to envision a life with Gaston — marriage, children perhaps, something permanent and secure. But Gaston is called away by the war — this is 1943 — and dies in a freak accident during training. After his death, she abruptly leaves for a nearby town, where she moves in with Walter, her black-sheep cousin who lives with a younger man named Douglas. "Think about what a fine life we can have," Walter tells her. "We've all been blessed, if we reach out and take what's in front of our eyes."

Again, Kate seems to have another chance at life — but she's too wary, too hurt by now to open herself to the love and kindliness offered by Walter — or by a succession of other family members and lovers. She begins to take them all for granted, and as she becomes more and more careless about their feelings, she also becomes increasingly paranoid and lonely.

When a desultory affair with Douglas results in her getting pregnant, Kate decides it's time to leave. By then, her life's course has come to follow a simple defensive dictum: "Leave people before they can plan to leave you." She leaves Douglas for a kindly cab driver named Tim, and she leaves Tim to return to Caroline's. In time, she will leave there too, bouncing back briefly to Douglas, and then a series of other men, before settling into an attenuated life alone. Along the way, she abandons her son, Lee, and she misplaces some essential sense of self. Having decided never to care too much, in order never to be hurt again, Kate merely ensures her isolation; in leaving behind everyone who has ever loved her, she has also managed to erase her past, her connection with the things that once defined her.

For the reader, this sad litany of events does not contain a whole lot of suspense. Kate's story is briefly laid out on the opening page. Price is less interested in recapitulating a tragic life than in examining the choices that one woman made and the responsibilities they entail. He wants to show how emotional damage is handed down generation to generation like some kind of unlucky heirloom, and in allowing Kate to narrate her story — as a survivor poking through the wreckage of her life — he also wants to demonstrate the uses of memory, its ability to redeem, if not entirely retrieve, the past. In doing so, he has written a powerful and moving novel that glows with the fine, burnished fire of mature ambition.

Michiko Kakutani is on the staff of The New York Times.

Solution to Previous Puzzle

D	R	A	B		R	A	T	A	L		S	A	P	S
R	O	M	E		A	B	O	M	A		A	C	R	E
E	V	I	L		T	E	N	O	N		V	A	I	N
D	E	L	I	G	H	T		S	C	H	E	R	Z	O
			E	M	E				E	E	R	I	E	R
C	O	N	V	E	R	T	I	B	L	E	S			
O	G	D	E	N		E	N	R	O	L		B	H	P
A	L	A	R		M	A	N	E	T		I	R	A	E
L	E	K		H	O	S	E	D		S	M	I	L	E
			C	O	V	E	R	E	D	W	A	G	O	N
R	E	G	I	M	E				R	I	G			
A	N	A	D	E	M	S		B	A	T	I	S	T	E
N	A	M	E		E	L	B	O	W		N	A	R	Y
I	T	E	R		N	A	C	R	E		E	B	O	E
N	E	S	S		T	Y	L	E	R		D	U	N	S

7/11/86

BRIDGE

By Alan Truscott

IN this year's Europa Cup event in Paris which was won by Denmark, Hungary eliminated the world champion Polish squad thanks in part to the diagramed deal. Sitting South against Greece was the Hungarian captain, Zoltan Kovacs. The bidding is not available, but may have been as shown.

East won the second round of spades and shifted to a diamond. South won with the ace, cashed the heart ace and ruffed his spade loser. He then persevered with trumps, and East won the third round and played another diamond.

South's only obvious play was a finesse, but he judged that East would not be so eager to lead diamonds if he held the queen. Kovacs therefore tried a long shot that succeeded. He won with the diamond king and cashed his remaining trumps to squeeze West in the minor suits.

East was left to discover in the post-mortem that he could have broken up the squeeze possibility if he had led clubs instead of diamonds whenever he had the lead.

NORTH
♠ 9 4
♡ 10 9 5
◇ J 10 6 5
♣ A 10 6 5

WEST
♠ K Q 3
♡ 8 3
◇ Q 9 2
♣ Q J 9 8 2

EAST
♠ A J 10 7 5
♡ Q J 7
◇ 8 4 3
♣ 7 4

SOUTH (D)
♠ 8 6 2
♡ A K 6 4 2
◇ A K 7
♣ K 3

Both sides were vulnerable. The bidding:

South	West	North	East
1 ♡	Pass	2 ♡	Pass
4 ♡	Pass	Pass	Pass

West led the spade king.

Toronto *July 9*

Canadian stocks via AP

Sales	Stock	High	Low	Close	Chg.
3978	Abti Prce	$22⅝	22¼	22⅝	+ ⅜
3500	Agnico E	$22½	22	22	+ ⅛
1880	Agra Ind A	$15¾	15½	15½	− ⅛
25893	Alt Energy	$10	9⅞	9⅞	− ⅛
5300	Alta Nat	$12⅝	12¼	12¼	
1753	Algoma St	$14½	14⅜	14⅜	− ⅛
16440	A Barick	$14⅝	14⅜	14⅜	− ⅛
18038	Atco I f	$9	8⅞	8⅞	− ⅛
73321	BCED	385	380	385	+ 5
1500	BCED A	$6⅛	6	6⅛	
9258	BP Canada	$26⅝	26¼	26½	+ ⅛
6134	Bank BC	330	325	330	− 5
169207	Bank N S	$15⅝	15½	15⅝	+ ⅛
300	Baton	$25	24½	25	
22375	Bonanza R	153	150	150	− 3
100	Bralorne	150	150	150	
52400	Bramalea	$22⅞	22⅝	22⅝	
7546	BCFP	$14	13¾	14	+ ¼
22820	BC Res	125	121	121	− 3
17341	BC Phone	$26⅝	26½	26⅝	+ ⅛
300	Brunswk	$12⅝	12⅝	12⅝	− ⅛
732	Budd Can	$34⅝	34⅜	34⅜	− ¼
89601	CAE	$12⅝	12	12⅝	+ ⅝
7850	CCL B f	$19¾	18¾	19¾	+ 1
9364	Cad Frv	$22⅞	22⅜	22⅜	− ½
2700	Campeau f	$27	26⅞	26⅞	− ⅛
1583	C Nor West	$15¼	15	15¼	− ¼
4449	C Packrs	$18	17¾	17¾	− ¼
652	Can Trust	$48	47⅝	48	− 1
125	CGE	$103	103	103	− 1
90607	CI Bk Com	$17⅝	17⅜	17⅝	
101442	CTire A f	$14⅝	14⅝	14⅝	+ ⅛
200	C Util B	$18⅝	18⅝	18⅝	+ ⅛
8680	Cara	$11½	11⅜	11½	+ ⅛
6704	Celanese	$18½	18¼	18¼	
1900	Celan 175 p	$22	22	22	+ 1
1800	Centrl Tr	$19⅞	19	19⅞	+ ⅝
50	CHUM	$58⅝	58⅝	58⅝	+ ⅝
60175	Cineplex	$20⅝	20⅛	20⅝	+ ⅝
4502	C Distb A	$6⅝	6⅝	6⅝	+ ¼
7484	CDistb B f	$7	6⅝	6⅝	
3450	CTL Bank	$10	10	10	
500	Conwest A	$8⅝	8½	8½	− ⅛
8900	Coseka R	100	97	97	− 1
1050	Conron A	$18	18	18	
3483	Crownx	$30	30	30	
7500	Czar Res	135	130	135	+ 5
4300	Denison A p	$6⅝	6¼	6¼	− ⅛
14100	Denison B f	$6⅝	6¼	6¼	− ⅛
200	Develcon	330	300	330	−10
400	Dickson A f	$7⅝	7⅝	7⅝	+ ⅛
12100	Dofasco	$28⅝	27⅝	28¼	+ ⅝
700	Donohue	$26½	26¼	26½	+ ⅛
5235	Du Pont A	$36⅝	36½	36½	− ⅛
89000	Dylex A	$18⅝	18	18⅝	
2000	Elcthom X	$12	12	12	
8400	Equity Svr	405	395	405	+10
3880	FCA Intl	$17⅝	17	17	− ½
1700	C Falcon C	$18⅝	18½	18½	
197480	Ficnbrdge	$19⅝	19⅜	19⅝	+ ⅛
71488	Fed Ind A	$16⅝	16⅜	16⅝	+ ½
1150	F City Fin	$14⅝	14½	14½	− ⅛
280	Gendis A	$19½	19½	19½	− ¼
5350	Geac Comp	$5⅝	5½	5⅝	− ⅛
3475	Gibraltar	$9½	9½	9½	− ¼
2700	Goldcorp f	$6⅝	6¼	6¼	
700	Gratn G	$21½	20	21½	− ½
3400	GL Forest	$25⅝	25½	25½	+ ⅛
100	Gt Pacific	$45	45	45	
4026	Greyhnd	$27	27	27	− ¼
4500	Hawker	$27⅝	27	27⅝	+ ⅛
6705	Hayes D	$15¼	15	15	− ¼
14350	Hees Intl	$34⅝	34⅜	34⅜	+ ⅜
120	Hollinger	$23½	23½	23½	− ⅜
478	H Bay Co	$28⅝	28⅛	28⅛	− ⅜
46848	Imasco	$35½	35	35¼	+ ¼
10600	Indal	$14⅝	14⅝	14⅝	
2000	Inglis	$21⅝	21⅝	21⅝	− ⅛
4850	Inland Gas	$12⅝	12¼	12⅝	− ⅛
4700	I Corona a	$19	18⅝	19	+ ¼
17650	Intl Thom	$11⅝	11⅝	11⅝	
19074	Inter Pipe	$43⅝	43	43¼	+ ¼
1600	Ipsco	$8⅝	8⅝	8⅝	
9239	Jannock	$26½	25¼	26½	+1¼
1600	Kelsey H	$26	25⅞	26	+ ½
1272	Kerr Add	$15½	15½	15½	+ ⅛
20145	Labatt	$22⅝	22⅝	22⅝	+ ⅛
53800	Lacana	$8⅝	8⅝	8½	
2275	L Ont Cem	$23	22⅞	23	+ 1
11950	Loblaw Co	$13⅝	13	13	
3818	Lumonics	$15⅝	14⅝	14⅝	− ⅞
51224	Magna A f	$33⅝	33⅝	33⅝	+ ⅜
3000	MDS H A	$17½	17	17½	+ ½
79900	MICC	$6⅝	6½	6⅝	+ ¼
47738	Mclan H X	$19⅝	19⅝	19⅝	− ⅛
5700	Maritime f	$15⅝	15⅝	15⅝	
4970	Molson A f	$28⅝	28	28⅝	+ ⅜
1000	Molson B	$28	28	28	
400	Nabisco L	$42¼	42¼	42¼	− ⅛
131986	Noranda	$17½	17¼	17⅜	
36780	Norcen	$13⅝	13⅜	13⅜	− ⅛
181530	Nva AltA f	490	480	485	
105	NuWst sp A	26	26	26	− 3
142	Oakwood	230	230	230	− 5
49200	Omnibus a	$6⅝	5⅞	6⅝	+ ⅝
8120	Oshawa A f	$23½	23¼	23½	
47690	Pac W Airln	$17	16½	16⅞	+ ⅜
9325	PanCan P	$24¼	23⅝	24¼	+ ¼
900	Pine Point	$9	9	9	
19327	Placer	$24⅝	24⅛	24⅝	+ ⅜
4044	Que Sturg o	430	415	415	−15
2719	Rayrock f	$5⅝	5¼	5¼	− ⅛
9320	Redpath	$27	26	27	+ ¾
6562	ReedSt 1 Sp	$54	53½	54	+1½
37890	Rogers A	$24⅛	24	24⅛	+ ¼
200	Roman	$10	10	10	− ⅛
6600	Rothman	$39	39	39	
20731	Sceptre	261	260	260	− 1
17891	Scotts f	$38⅝	38⅜	38½	+ ¼
116158	Sears Can	$14½	14¼	14½	+ ⅛
1590	SHL Systm	$25	25	25	
49700	Selkirk A f	$24½	24½	24½	
8220	Shell Can	$21	20¼	20⅝	+ ⅜
8430	Sherritt	$6⅝	6¼	6¼	
147950	Slater B f	$14⅝	14¼	14¼	+ ¼
75420	Southam	$24½	24½	24½	+ ⅛
18807	Spar Aero f	$25⅝	24⅝	25⅝	+ ¾
10934	Stelco A	$24⅝	24¼	24⅝	+ ⅜
2345	Sulpetro	45	45	45	
1100	Teck Cor A	$23	22⅝	23	+ ¼
7982	Teck B f	$23	22⅝	22⅞	+ ⅛
11700	Tex Can	$25⅝	25¼	25¼	
76539	Thom N A	$31⅝	30⅝	31¼	− ⅛
52717	Tor Dm Bk	$23½	23⅛	23⅜	
59351	Torstar B f	$31	30¼	30⅞	+ ⅝
1010	Traders A f	$47½	47½	47½	
3100	Trns Mt	$13⅝	13	13⅝	+ ⅛
500	Trinity Res	50	50	50	
347640	TrnAlta UA	$28¼	28	28	
115058	TrCan PL	$16⅝	16⅝	16½	+ ¼
2056	Trimac	252	250	252	+ 2
25312	Trilon A	$32⅝	32	32¼	− ⅛
2284	Trizec A f	$41⅝	41	41⅝	
36564	Turbo	49	48	48	− ½
10285	Unicorp A f	$9⅝	9⅝	9⅝	+ ⅛
3420	U Entprise	$12⅝	12	12⅝	+ ⅛
600	U Keno	$7⅝	7¼	7¼	− ¼
6600	Versil A f	210	205	205	− 5
4400	Vestgron	50	50	50	
2500	Wardair	$15½	15⅝	15½	+ ⅛
324	Welchwod	$22	22	22	
3000	Westmin	$7⅝	7⅝	7⅝	
13295	Weston	$33¼	32⅝	32⅞	− ⅛
3324	Woodwd A	$7	6⅞	7	+ ⅛

Total sales 14,714,116 shares

	Close	Previous
TSE 300 index:	3,010.20	2,997.30

Montreal *July 9*

Sales	Stock	High	Low	Close	Chg.
19042	Bank Mont	$32⅝	32	32	− ⅝
700	BombrdrA	$20⅝	20⅝	20⅝	
8155	BombrdrB	$21	20⅝	20⅝	+ ⅛
3950	CB Pak	$27	26⅝	27	+ ¼
108335	Cascades	$16¼	15	16¼	+ ¾
103	CIL	$29	29	29	− ⅝
3425	ConBath	$23⅝	23¼	23⅝	+ ⅜
6572	DomTxtA	$20	19⅝	19⅝	
6914	MntTrst	$12¼	12	12	− ⅛
15879	NatBk Cda	$26⅝	26½	26½	+ ⅛
13315	Noverco	$12¼	12⅛	12¼	+ ⅛
42070	Power Corp	$18¼	17⅝	18	+ ⅛
29702	Provigo	$21⅝	21¼	21⅝	− ⅛
700	RollandA	$28⅝	28⅝	28⅝	
50982	Royal Bank	$32⅛	31⅝	32	
1030	SteinbrgA	$43½	43¼	43¼	+ ¼

Total Sales 3,290,217 shares.

	Close	Previous
Industrials index:	1,385.88	1,384.47

WALL STREET WATCH
IN THE INTERVIEW THURSDAY, INCISIVE REPORTING ON TRENDS AFFECTING THE U.S. STOCK MARKETS

SPORTS

Lewis Claims Cheating at 'Illwill' Games

By John Feinstein
Washington Post Service

MOSCOW — The first Goodwill ames, less than a week old, already have acquired their first nickme: The Illwill Games.

Wednesday night, after losing e 100-meter race to Ben Johnson Canada, Olympic quadruple-ld medalist Carl Lewis of the ited States said that "the Rus-ns just cheat, that's all there is to They'll do anything to beat us. ey'll even help other people beat if they can."

Lewis was a soundly beaten third the 100 meters, in which Johnson the second fastest time in histo-9.95 seconds, with Chidi Imo of geria finishing second. Lewis then chored the U.S. 4x100 meter relay m to a one-meter victory over the viet team, coming from behind on anchor leg to win.

"These games started out with potential to be great, to have s of competition," Lewis said. hen we get here and it was just a e. The Russians play games all time. That's why I don't like oing over here. It's just a joke. fly 8,000 miles and then they nge heats, change the schedule don't tell you."

ewis said he was told Wednesafternoon that Soviet officials decided to run heats and a final he 100. That would mean the y would be the third race for the ericans in less than two hours. They were coming after us on relay," Lewis said. "They would kept their studs out of the 100 let us run until we were exsted."

evan Sanadze, chairman of the iet Department of Track and d, said that "all decisions on races" were made jointly in a ting between U.S. and Soviet ials. "The Americans knew t was going on all the time."

nt officials of the Turner Broadng System, who put the games ther and have worked hard to along with the Russians, said had been frustrated by the way rules during track events were nually being changed.

obert Wussler, executive vice ident of TBS, said that he had a Telex to Marat Gramov, the et minister of sports. "I was d off by what went on at the t and field," Wussler said. "It ed like they were trying to pull a one with the heat changing and

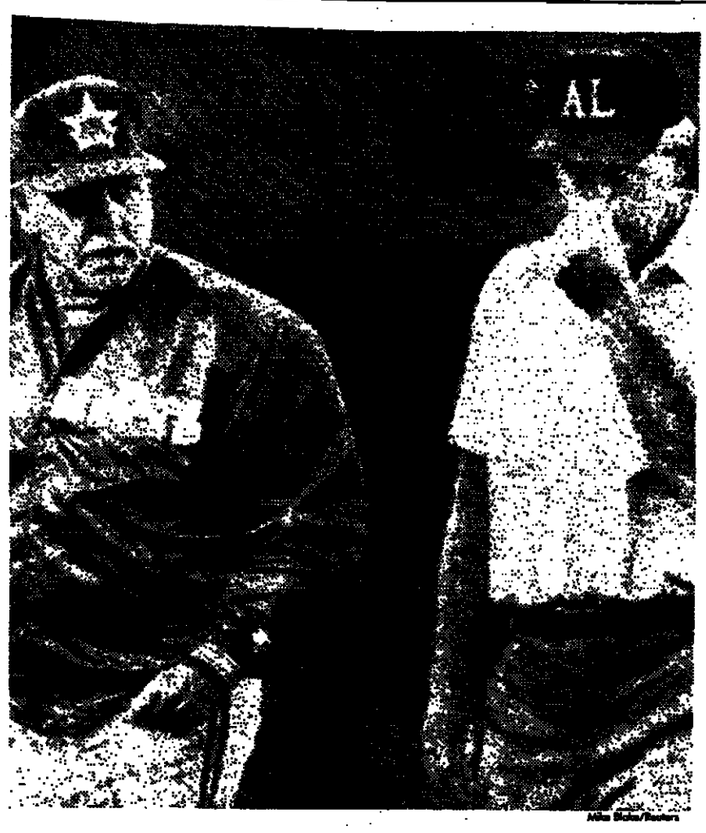
told Gramov that I have the est regard for you people, but I 't like what they had done," he adding: "I thought they were le bit sheepish about it."

me of the races were run as d finals, while others were run trials and finals. In others, the st Soviet runner was placed in slower heats, and there was a ral confusion over who was red in races and who was not.

esday, U.S. pole vaulters Earl and Mike Tully, who finished l and fourth behind Bubka's rd-breaking jump of 19 feet 8¼ es (6.01 meters), said they be-d Bubka was helped by a drug was not detectable in testing.

madze responded that tests n after the event "clearly re-ed" that Bubka "had no medi-," but said that Bell and Tully not the first vaulters to accuse ka of using a new drug.

Regrettably I have heard there complaints from the French-[Thierry] Vigneron," Sanadze "Bubka was very crushed by le was offended."


Mike Blake/Reuters

Jack Bolletti/Reuters-UPI

Umpire Jim McKean, left, appeared to find something malodorous about having to escort ejected Mariner manager Dick Williams from the game in Toronto. Dwight Gooden of the Mets, right, and catcher Ed Hearn no doubt thought the game against the Reds was a stinker when the score reached 4-0 in the first.

Reds Hit Gooden to Win, 11-1; Mets Swept First Time in Year

Compiled by Our Staff From Dispatches

NEW YORK — The New York Mets took an 11-1 beating Wednesday from the Cincinnati Reds and were swept in a three-game series for the first time in a year. Later, everybody walked through the debris suddenly littering their storybook season and asked why.

Dwight Gooden, who was cuffed around for four runs in the first inning and who lasted only four innings, put it this way: "I had no rhythm. I had no curveball or fastball, either. I had nothing."

Manager Dave Johnson, who watched his team get cuffed around for 45 hits and 23 runs in three games of disastrous pitching, put it this way: "They had their hitting shoes on when they came to town."

Manager Pete Rose, who got hit No. 4,242 while his Reds were cuffing around Gooden and the Mets, put it this way: "For one month, we scored three runs a game. For the next month, we scored five and a half. We were in a team slump. But we're coming out of it."

The Reds completed their sweep by outhitting the Mets, 17 to 5. And they nailed Gooden for seven hits and five runs in four innings, sending him to his fourth defeat this season, which is as many games as he lost all of last year. It was the first time he had failed to pitch into the fifth inning.

It was the most hits and runs the Mets had given up this year, and their longest losing streak this season. They were swept for the first time since the Reds did it last July.

Buddy Bell, the star of Tuesday's game, was scratched from the lineup because he had a touch of the flu. His understudy, Wade Rowdon, a rookie, made his eighth start in the big leagues and went 5 for 5, getting two hits and driving in two runs off Gooden. And Sal Butera, catching in place of the injured Bo Diaz, hit a three-run home run off Bruce Berenyi for the *coup de grace*.

With two down in the first inning, Dave Parker bounced a single into right field and Eric Davis lined a single to right. Rowdon lofted a high pop fly behind third base. Ray Knight went back from third, Kevin Mitchell went over from shortstop, George Foster ran in from left field. The ball dropped among them just inside the chalk line for a double and a run.

Dave Concepcion, who was 0 for the 11 times he had ever previously batted against Gooden, rammed a single through the middle and two more runs scored. Butera hit a line drive to left, where Foster tried to make a sliding catch on the wet grass. The ball bounced away, another run scored and Gooden was four runs down.

Nine men went to bat that inning, and it was only the third time that any team had batted around against Gooden in his three years in the majors.

Cubs 4, Giants 3: In San Francisco, Terry Francona's one-out sacrifice fly in the 10th gave Chicago the victory. The Cubs got a triple play in the fifth.

Expos 2, Astros 1: In Montreal, Floyd Youmans pitched a two-hitter against Houston, striking out 11, and Andre Dawson hit his 14th homer.

Pirates 6, Padres 4: In San Diego, Joe Orsulak led off the fifth with a tie-breaking homer and R.J. Reynolds doubled in a run two outs later for Pittsburgh, which has won five of six in San Diego this season.

Dodgers 8, Cardinals 2: In Los Angeles, Fernando Valenzuela pitched a five-hitter and rookie Jeff Hamilton doubled in three runs in the first inning, dropping St. Louis into last place in the NL East. Valenzuela won his 11th game on his fourth try.

Braves 7, Phillies 3: In Philadelphia, Ken Oberkfell drove in two runs with a tie-breaking, bases-loaded single as Atlanta ended a five-game losing streak. Slumping teammate Dale Murphy sat out the game, ending his streak of playing in 740 consecutive games.

Royals 3, Orioles 0: In the American League, in Kansas City, Missouri, the defending world champions ended a club record 11-game slide as Danny Jackson and Bud Black held Baltimore to three hits while Lonnie Smith, who was hit by a pitch, homered and singled, scored all three runs.

Jackson, whose wife gave birth to their second child Wednesday morning, gave up all three hits while walking three and striking out three.

"I'd had about three hours sleep, and that's not much on a day you're pitching," he said. "I was beginning to run out of gas out there."

BASEBALL ROUNDUP

Indians 6, White Sox 3: In Chicago, Julio Franco went 5-for-5, all singles, and Mel Hall had a two-run homer as Cleveland got 14 hits.

Tigers 7, Twins 0: In Bloomington, Minnesota, Jack Morris pitched a six-hitter and Lance Parrish hit two homers to pace a 14-hit attack for Detroit.

Angels 6, Brewers 1: In Milwaukee, Wally Joyner got three singles to help back the six-hit pitching of Don Sutton and Donnie Moore.

Red Sox 7, A's 6: In Boston, Tony Armas hit a two-run double during a six-run third inning that helped hold off Oakland despite three errors that led to five unearned runs. Dave Kingman of the A's hit his 19th homer this season, the 426th of his career moving him into a tie with Bill Williams for 19th place on the all-time list.

Blue Jays 6, Mariners 5: In Toronto, Cliff Johnson singled home two runs during a three-run eighth that beat Seattle.

Yankees 5, Rangers 4: In Arlington, Texas, Mike Pagliarulo hit a three-run homer and pinch-hitter Dave Winfield doubled in the winning run in the eighth for New York.

(NYT, UPI, AP)

Rookie Joyner Voted To AL All-Star Team

Los Angeles Times Service

MILWAUKEE — Wally Joyner, the first baseman for the California Angels of the American League, Wednesday became the first rookie chosen by baseball fans as a starter in the major league all-star game.

In the National League, Darryl Strawberry of the New York Mets amassed 1,619,511 votes, most of all the players in the major leagues, to head a starting lineup that includes five repeaters from the 1985 squad and three newcomers.

Joyner outpolled the New York Yankees' Don Mattingly by more than 130,000 votes for a starting spot for the American League team in next Tuesday's game in Houston. Since the adoption of the fans' voting system in 1970, no position player had ever made a starting lineup in his first season.

Rookie pitchers Mark Fidrych of Detroit and Fernando Valenzuela of Los Angeles started the 1976 and 1981 games, respectively, but they were chosen by the all-star teams' managers. The last non-pitcher to start an all-star game as a rookie was Rod Carew, who was a second baseman with Minnesota in 1967. Carew was the man Joyner replaced as the Angels' first baseman.

Before 1986, rookies were not listed on the all-star ballots. But this year, expanded ballots included the names of 10 rookies.

Joyner will be one of two first-time all-stars in the AL starting lineup. Kirby Puckett of Minnesota, the major league leader in hits, edged out the Angels' Reggie Jackson, a 14-time all-star, for the third outfield position. Puckett received 736,328 votes, Jackson 719,139.

The rest of the AL lineup is a duplicate of last year's: Lance Parrish of Detroit catching, teammate Lou Whitaker at second base, George Brett of Kansas City at third, Cal Ripken of Baltimore at shortstop and the Yankees' Rickey Henderson and Dave Winfield in the outfield.

Ripken led the AL with 1,486,806 votes. Brett, in his 11th all-star game, was next with 1,257,432, and needed them to beat out Wade Boggs of Boston, the majors' top hitter, who got 1,172,529 votes.

Joyner hit 15 home runs in his first 36 games and the nickname "Wally World" became a catch phrase during April and May. He has started every game this season and as of Wednesday was batting .303 with 20 homers and 67 RBI.

He will become the 15th rookie to start in an all-star game. Joe DiMaggio of the Yankees, in 1936, was the first, followed by Dick Wakefield of Detroit (1943), Richie Ashburn of Philadelphia (1948), Ed Kazak of St. Louis (1949), Walt Dropo of Boston (1950), Ron Hansen of Baltimore (1960), Rich Rollins and Dave Stenhouse of Minnesota (1962), the Yankees' Tom Tresh (1962), Tony Oliva of Minnesota (1964), George Scott of Boston (1966), Carew, Fidrych and Valenzuela.

Wally Joyner

■ Strawberry: 3 for 3 in Starts

Strawberry, one of three Mets to be voted to the NL starting team, became the first from his league to start all-star games in his first three full seasons, United Press International reported from New York.

Strawberry was named NL rookie of the year in 1983 but was not called up from the minors until May 2. Only DiMaggio, Oliva and Carew, all American Leaguers, started in their first three seasons.

Joining Strawberry in the outfield will be Dale Murphy of Atlanta, who got 1,256,198 votes, and Tony Gwynn of San Diego with 987,943.

In the infield, first baseman Keith Hernandez of the Mets, with 995,279 votes, beat out nine-time starter Steve Garvey of San Diego for his first start. Ryne Sandberg of Chicago (1,054,770) will return at second base after losing out last year to Tommy Herr of St. Louis. Ozzie Smith of the Cardinals (1,379,870) will make his fourth consecutive start at shortstop and Mike Schmidt of Philadelphia (891,165) rewon the third base spot he held from 1979-1984.

Gary Carter of the Mets (1,486,141) won his sixth consecutive selection at catcher. Since voting was returned to the fans in 1970 only Carter, Johnny Bench and Ted Simmons have caught for the National League in the all-star game.

British Are Tackling American Football

By Joseph Lelyveld
New York Times Service

BRIGHTON, England — The cheerleaders waved their pompoms and screamed "DEE-fense." Smoke from the charcoal grill where the cheeseburgers sizzled wafted over the gridiron. And the marching band played the Marine Corps Hymn. It was all as American as the Fourth of July, only it was July 6 and it was England as the hometown team — the B-52's — struggled to keep its hopes alive for a playoff berth in the Budweiser League.

The Brighton B-52's play a game that comes as close to what they call American football — not to be confused with football, which is sometimes also called soccer — as these relative but committed neophytes can make it come. It would be an exaggeration to say that a craze for American football is sweeping Britain, but four years after professional football games from the United States started appearing regularly on British television, the B-52's play in a league with nine divisions and 64 teams.

The Budweiser League — sponsored by the makers of the beer, who are trying to crack the British market — is one of two leagues. The British American Football League, where the B-52's played in their first two seasons, has nine divisions with 38 teams. So there are at least 102 teams whose players and fans will form the vanguard of the crowd that is expected to fill Wembley Stadium in London on Aug. 3 when the Chicago Bears and the Dallas Cowboys — not to be confused with the Cotswald Bears or the Dunstable Cowboys — meet for an exhibition game on a British pitch, which is the same as a field.

Politicians and diplomats worry a fair amount these days about the phase of anti-Americanism that Britain supposedly has been going through since the U.S. bombing of Libya from British bases in April. But the fans who wear B-52 T-shirts and sweatshirts seem to be immune to such infections. In any case, there already is enough interest in this least international of American competitive sports to sustain a handsomely produced weekly newspaper, called First Down, with a full-color centerfold showing stars of the National Football League.

Advertisements tell the beginner where to send his postal money order for videos of NFL games or manuals on the game. The monthly magazines Touchdown and Gridiron U.K. are promoting package tours to Florida or California this fall to see the Miami Dolphins or the San Francisco 49ers at home. Obviously, somebody is hoping to cash in on this budding enthusiasm, but it is not the members of the B-52's squad, each of whom pays dues equivalent to $11.25 a week, plus the cost of most of his gear, for the privilege of being clobbered.

Phil Cregeen, who said he once played rugby for Sussex and harbored ambitions of playing for England on the national team, explained what it was that drew him to the B-52's two years ago. "I like the hitting," he said. "The hitting is more intense." Cregeen, who is training to become a chef in the workaday world, said he also liked the tactical complexity of the game.

Jeff Berry of Croyden said he became disillusioned with British football because of the violence of the crowds. After watching American football for a while on television, he studied the rules and joined a new association of referees. Now he officiates most weekends as a linesman. "What we believe," said Essam Barakat, a young investor from Lebanon who took a flier on the B-52's, becoming the club's principal shareholder, "is that the spectator sees violence in American football, so he's calm."

It would be an exaggeration to say that a craze for American football is sweeping Britain, but four years after pro games started appearing regularly on television, there are at least 102 teams.

On a sunny July afternoon, when most of Brighton was either at the beach or indoors watching the Wimbledon finals on television, about 700 paying fans turned up at Withdean Stadium to watch the hometown side, sometimes called a team, take on the Greenwich Rams.

A small marching band made up of schoolchildren in sailor suits helped the seven cheerleaders from a local exercise studio set the mood.

The B-52's think of themselves as pioneers. They were the first club in Britain to take on an American team, holding a visiting junior college team from San Francisco to a score of only 76-0 in a game last autumn that attracted 12,500 to their tiny unroofed stadium, which consists of little more than a turnstile and two dressing rooms.

Next, they were the first club to hire U.S. coaches, bringing over Walter Lang, a member of the UCLA team that beat Michigan in the 1983 Rose Bowl, and Chester Goynes, another former Bruin. And, finally, they are planning to become the first British team to go abroad, on a trip later this year to San Francisco for a return game against City College, the ob . . e powerhouse that trounced them here.

But before that could come to pass, the B-52's needed to break a four-game losing streak this afternoon, or face elimination from the Budweiser playoffs. A dozen or so players were out with injuries and the offensive line was made up of rookies who were learning the hard way, often on their backs. But Chas Jackicki, the half-American quarterback who learned to throw the ball in junior high school in Del Rio, Texas, before moving back to England, had recovered from the knee injury that had kept him out of action. So had Andy Lovell, the team's star running back.

The offense of the B-52's went nowhere at all in the first half, but a linebacker, Niall Warne, picked up a Greenwich fumble and ran it into the end zone so Brighton trailed by only 7-6 at halftime. For most of the third quarter, it seemed the game would be won by the team that recovered the most fumbles. "That's a rugby player," a discouraged B-52 said on the sideline when John Hinkson, a wide receiver, lost the ball. "John's an ex-rugby player. He just doesn't tuck the ball away."

"You see oceans of mistakes," said Jackicki. But then Lovell broke loose on a 79-yard run to the one-yard line and scored on the next play. The Rams, who could run the ball but not complete a pass, grew desperate and careless as time ran out with Brighton ahead, 14-7.

Goynes, the offensive coach, was asked as he walked off the field how the B-52's might have fared against the team at the high school in Jefferson, Texas, where he once was a star.

"They'd get blown out. They wouldn't stand a chance," he replied. "But as far as enthusiasm or eagerness goes, they're college level or better."

BRIDGE

SPORTS BRIEFS

urt to Hear NFL Union Suit Friday

ASHINGTON (AP) — U.S. District Judge Barrington D. Parker hold a hearing Friday on the National Football League Players ciation's attempt to stop commissioner Pete Rozelle's random drug ag program, the court said Thursday.

e union filed a lawsuit Wednesday to prohibit the league from ementing the program, announced Monday by Rozelle, until an rator had heard the case.

e union, which filed a grievance through its collective bargaining edure with the NFL Management Council, the league's labor relaarm, on Tuesday asked the court for a temporary restraining order preliminary injunction to block implementation of the drug program ing arbitration.

GA Turns Down O'Grady's Appeal

ONTE VEDRA BEACH, Florida (AP) — A three-man appeals mittee has upheld Mac O'Grady's six-event suspension and $5,000 imposed by PGA Tour commissioner Deane Beman, the PGA nced Wednesday.

a letter to O'Grady's attorney Steve Novak and the PGA, appeals mittee chairman E.M. de Windt said the board found statements e by the golfer about PGA officials, players and a tournament sor "did in fact constitute conduct unbecoming a professional r."

e Windt said the board's actions were not "discriminatory or arbi-" against O'Grady and that the penalties were "reasonable in light of extreme and repeated nature of the attacks" against PGA officials. rady won his first PGA tournament last Sunday at the Greater ford Open.

oston Marathon Eases Qualifications

OSTON (UPI) — The Boston Athletic Association has relaxed ifying standards for next year's Boston Marathon by 10 minutes for and women runners under age 40.

ne BAA announced Wednesday that men under 40 will have to run r 3 hours in a certified marathon to qualify for the Boston race, while en in the under 40 division will have to run under 3:30.

nce the late 1970s the times have been 2:50 for men and 3:20 for en.

or the Record

he heavyweight bout Aug. 17 between Mike Tyson and David Bey has canceled because Bey's nose was broken during a sparring session. *(I)*

lotable

Irving Rudd, boxing publicist, when told by a friend that Howard ell was his own worst enemy: "Not while I'm alive." *(LAT)*

SCOREBOARD

Baseball

Wednesday's Major League Line Scores

AMERICAN LEAGUE

Detroit	200 200 012—7 14 0	
Minnesota	000 000 000—0 6 0	

Morris and Parrish; Anderson, Jackson (4), Davis (8) and Salas. W—Morris, 8-6. L—Anderson, 2-2. HRs—Detroit, Parrish 2 (21), Coles (10).

Cleveland	200 040 000—6 14 0	
Chicago	000 200 000—2 6 1	

Nieko and Bando; Dotson, Dawley (5), Nelson (7) and Skinner. W—Nieko, 6-6. L—Dotson, 7-8. HR—Cleveland, Hall (15).

California	020 200 011—6 11 1	
Milwaukee	000 000 010—1 6 3	

Sutton, Moore (5) and Boone; Higuera, Plesac (4), Searage (9) and Moore. W—Sutton, 8-5. L—Higuera, 10-7. Sv—Moore (8).

Oakland	004 010 100—6 4 1	
Boston	005 001 02x—7 12 3	

Young, Bair (8) and Willard; Sellers, Sambito (8) and Sullivan. W—Sellers, 3-3. L—Young, 5-4. Sv—Sambito (9). HRs—Oakland, Kingman (19), Griffin (2).

Seattle	030 100 020—5 11 2	
Toronto	100 020 02x—6 8 2	

Moore,Ladd (8), Young (8) and S.Bradley; Stieb, Caudill (8), Henke (9) and Whitt, Martinez (9). W—Caudill, 2-0. L—Moore, 5-8. Sv—Henke (13). HR—Seattle, Phelps (14).

Baltimore	000 000 000—0 3 0	
Kansas City	101 001 00x—3 7 1	

Bordi, Martinez (6), Snell (6) and Demeter; Jackson, Black (7) and Quirk, Sundberg (7). W—Jackson, 5-4. L—Bordi, 3-1. Sv—Black (3). HR—Kansas City, Smith (4).

New York	000 301 010—5 11 1	
Texas	100 110 001—4 13 0	

Tewksbury, Righetti (7) and Hassey; Guzman, Williams (6) and Sinatro. W—Tewksbury, 6-3. L—Guzman, 8-9. Sv—Righetti (19). HR—New York, Pagliarulo (19).

NATIONAL LEAGUE

Atlanta	020 200 003—7 15 0	
Philadelphia	020 000 001—3 11 1	

Alexander, Garber (5) and Benedict; K.Gross, Gorman (4), Hume (5), Tekulve (8) and Russell. W—Alexander, 1-0. L—K.Gross, 6-7. Sv—Garber (10). HRs—Atlanta, Horner (6).

Cincinnati	401 031 111—11 17 2	
New York	000 010 000—1 5 1	

Browning, Willis (9) and Butera; Gooden, Berenyi (5), Niemann (6), Sisk (8) and Hearn. W—Browning, 7-7. L—Gooden, 10-4. HR—Cincinnati, Butera (2).

Chicago	000 002 000 1—4 7 1	
San Francisco	000 002 001 0—3 5 0	

Lynch, Gumpert (7), Smith (8), Fontenot (10) and Davis; LaCoss, Robinson (7), Berenguer (9) and Melvin. W—Smith, 4-4. L—Berenguer, 1-2. Sv—Fontenot (2). HR—San Francisco, C.Davis (9).

Houston	000 100 000—1 2 0	
Montreal	101 000 00x—2 7 0	

Knepper, Lopez (8) and Ashby (8); Youmans and Fitzgerald. W—Youmans, 9-5. L—Knepper, 10-7. HR—Montreal, Dawson (14).

Pittsburgh	201 020 010—6 10 0	
San Diego	201 001 000—4 7 2	

Bielecki, Clements (6), Robinson (7) and Pena; McCullers, Stoddard (6), Walter (8) and Kennedy. W—Bielecki, 6-5. L—McCullers, 4-3. Sv—Robinson (2). HRs—Pittsburgh, Ray (3), Orsulak (2). San Diego, Kennedy (7).

St. Louis	000 000 002—2 5 2	
Los Angeles	400 200 02x—8 15 0	

Mathews, Burris (4), Perry (5), Dayley (8) and Heath, Hurdle (7); Valenzuela and Trevino. W—Valenzuela, 11-6. L—Mathews, 4-2.

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Boston	54	29	.651	—
New York	47	38	.553	8
Cleveland	44	37	.543	9
Baltimore	44	39	.530	10
Toronto	43	41	.523	10½
Detroit	41	42	.494	13
Milwaukee	40	42	.488	13½

West Division

California	46	37	.554	—
Texas	45	39	.536	1½
Chicago	38	44	.463	7½
Kansas City	38	46	.452	8½
Minnesota	36	48	.429	10½
Seattle	36	50	.419	11½
Oakland	32	54	.372	15½

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
New York	55	25	.688	—
Montreal	45	36	.556	10½
Philadelphia	40	41	.494	15½
Chicago	34	46	.425	21
Pittsburgh	34	47	.420	21½
St. Louis	34	48	.415	22

West Division

Houston	45	39	.536	—
San Francisco	45	39	.536	—
San Diego	43	41	.512	2
Atlanta	42	42	.500	3
Cincinnati	38	43	.469	5½
Los Angeles	38	44	.452	7

Basketball

World Championships

GROUP A (At Zaragoza, Spain)

July 9: Brazil 115, Greece 95; Spain 125, Panama 70; France 101, South Korea 84.

July 10: France 91, Panama 68.

GROUP B (At El Ferrol, Spain)

July 9: Cuba 81, Angola 53; Soviet Union 111, Uruguay 42; Australia 98, Israel 91.

July 10: Uruguay 83, Angola 81, OT.

GROUP C (At Malaga, Spain)

July 9: China 84, Ivory Coast 72; Italy 85, West Germany 76; United States 73, Puerto Rico 72.

July 10: Puerto Rico 91, Ivory Coast 55.

GROUP D (At Tenerife, Spain)

July 9: Yugoslavia 87, Argentina 68; Canada 96, The Netherlands 79; New Zealand 77, Malaysia 75.

July 10: Netherlands 110, Malaysia 66.

Cycling

Tour de France

SEVENTH STAGE
(Cherbourg-St. Hilaire-du-Harcouet)
(201 Kilometers/124.5 Miles)

1. Ludo Peeters, Belgium, 4 hours, 57 minutes.
2. Ron Kiefel, U.S., same time
3. Miguel Indurian, Spain, s.t.
4. Jorgen Pedersen, Denmark, s.t.
5. Jesus Blanco, Spain, s.t.
6. Peter Stevenhaagen, Holland, s.t.
7. Eric Caritoux, France, s.t.
8. Antonio Esparza, Spain, s.t.
9. Paul Kimmage, Ireland, s.t.
10. Dirk De Wolf, Belgium, s.t.

OVERALL LEADERS

1. Jorgen Pedersen, Denmark, 28 hours, 48 minutes and 36 seconds
2. Johan Van Der Velde, Netherlands, at 11 seconds behind leader
3. Guido Bontempi, Italy, at 27
4. Laurent Fignon, France, 45
5. Dominique Gaigne, France, 50 secs.
6. Thierry Marie, France, at 56 secs.
7. Charles Mottet, France, at 59 secs.
8. Joel Pelier, France, at 1:10 secs.
9. Eric Boyer, France, at 1:13.
10. Yvon Madiot, France, at 1:16

Transition

BASEBALL
American League

DETROIT—Acquired Mark Thurmond, pitcher, from San Diego for Dave LaPoint, pitcher.

NEW YORK—Traded Ed Whitson, pitcher, to San Diego for Tim Stoddard, pitcher.

BASKETBALL
National Basketball Association

CLEVELAND—Named Lenny Wilkens coach.

FOOTBALL
National Football League

CHICAGO—Signed Mark Bortz, guard; Cliff Thrift, linebacker; E.J. Jones, wide receiver, and Steve Finch, running back.

DALLAS—Agreed to terms with Jim Cooper, tackle. James Jones, running back, retired.

Goodwill Games

(In Moscow)

CYCLING

Men

Sprint, one-on-one (winners): Michael Hübner, East Germany; Lutz Heesllch, East Germany; Nikolai Kovsh, Soviet Union; Otar Mchedlishvili, Soviet Union; Mark Gorski, United States. Sprint, one-on-three: Heat one: Gary Neiwend, Australia. Heat two: Scott Berryman, United States. Heat three: Bratislav Sustr, Czechoslovakia. 4-Kilometer (2.5-mile) team pursuit. First heat: Poland, 4 minutes, 20.392. Second heat: Australia, 4:17.845. Third heat: Czechoslovakia, 4:16.444. Fourth heat: Soviet Union, 4:13.214. Semifinals: Czechoslovakia 4:15.361; Soviet Union def. Poland five laps before finish.

Women

Sprint Quarterfinals (winners): Erika Salumae, Soviet Union; Galina Tsareva, Soviet Union; Zhou Siyin, China; Natalya Krushelnitskaya, Soviet Union. 3-kilometer individual pursuit, qualifying: Barbara Jentz, Switzerland, 3 minutes, 50.451 seconds. Semifinals: Melinda Mayfield, United States, 3 minutes, 53.435 seconds; Barbara Ganz, Switzerland, 3:48.966.

TRACK AND FIELD

Men

100: Ben Johnson, Canada, 9.95 seconds. 400 Hurdles: Edwin Moses, United States, 47.94 seconds. 10,000: Dominoes Castro, Portugal, 28:11.21. 4x100 Relay: United States (Lee McRae, Floyd Heard, Harvey Glance, Carl Lewis), 37.98 seconds. Hammer: Yuri Sedykh, Soviet Union, 277 feet, 11 inches (84.8 meters). High Jump: Dave Nordquist, United States, 7 feet, 8 inches. Triple Jump: Mike Conley, United States, 58 feet, ½ inch.

Women

400: Olga Vladykina, Soviet Union, 49.96 seconds. 1,500: Tatyana Samolenko, Soviet Union, 4:5.58. 4x100 Relay: United States (Michelle Finn, Diane Williams, Randy Givens, Evelyn Ashford), 42.12 seconds. Discus: Tsvetanka Khristova, Bulgaria, 228 feet 2 inches.

MODERN PENTATHLON

Men

Individual Total (final): Vakhtang Yoseliani, Soviet Union, 5,581 points.

RYTHMIC GYMNASTICS

All-Around: Tatyana Druchinina, Soviet Union, 40 points.

WATER POLO

July 9

United States 12, the Netherlands 5
Soviet Union 10, Greece 2
Hungary 10, West Germany 5

July 10

United States 11, Greece 5
Hungary 8, the Netherlands 7

VOLLEYBALL

Women (First Round)

Japan 3, North Korea 0
Soviet Union 3, East Germany 0

BASKETBALL

Women

United States 67, Bulgaria 58
Soviet Union 77, Brazil 72
Brazil 87, Czechoslovakia 66
Bulgaria 67, Yugoslavia 58

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OBSERVER

Hoeing Some Hard Rows

By Russell Baker

NEW YORK — Hard-liners are hard-nosed and play hardball. They lead hard lives because they spend so much time between a rock and a hard place. They work hard and they play hard.

The reason: Life is hard.

They are always telling children, "I'm not going to soft-soap you, kid. I'm going to hard-soap you: Life is not a rose garden. No sirree. Life is a place where you're going to meet not only hardened criminals, but also hardened veterans who know from hard experience that there are only two kinds of people in the world — those who give others a hard time, and those who are given a hard time."

Children appalled by the granite message often ask, "But won't I meet any softened veterans at all?"

Oh yes, the hard-nosed hardball players of Hardworld are human, too, but they know there are times when the best thing you can do for a child is to be hard-hearted.

□

And so when a child begs to be told that, yes, he might meet one or two softened veterans as he pursues his hard destiny, the citizen of Hardworld must tell the child some hard truths. "I'm going to give you the hard facts, youngster, so listen carefully."

At which the child often says, "You mean you want me to be hard-eared?"

Hard is the task of the Hardworld philosopher.

"No, child. As you go through life you must be hardheaded, hard-nosed, hard-eyed and hard-hearted, but hard-eared is not an authorized condition, maybe because it could be too easily confused with hard of hearing."

Softened veterans? What could be more absurd. Sure, veterans come in many varieties. There are grizzled veterans and grizzled old veterans. Wise old veterans. Canny veterans of many a campaign. Make that many a hard-fought campaign. But softened veterans? Never. And softened criminals? Impossible. Does anybody think we make judges sentence criminals to hard labor to soften them?

Can women also be hard-liners, have hard noses, play hardball and all the rest, just like men?

They can now, thanks to the women's liberation movement. In the old days, women could be hard-liners, but could not be hard-nosed or play hardball.

They could work hard, but not play hard.

They could be hardheaded, but not hard-hearted.

Now, thanks to the feminist movement, no woman can be forced any longer to go through life with a soft heart and soft nose.

□

Inhabitants of Hardworld think of "the cutting edge" as mountain climbers think of Everest. It is the ultimate test. Think of Hardworld's greatest achievers. What will be said of them in their obituaries?

To be sure, their hard-nosed hardball skills will be praised, as will their hardheaded realism, their hard-earned experience and their hard-eyed view of the world, as well as the way hard-fought campaigns turned them into wise, grizzled, old, hardened veterans.

Anecdotes will be retold about how their hard-hearted resolution enabled them to turn hard faces to sentimental softness. In obituaries, such stories make nice preludes to little tales of secret kindnesses done to stray kittens, which reveal that within that hard shell, unbeknownst to a world that trembled at his frown, cringed just another old softy.

But the obituary's lead will say that he was "at the cutting edge." That is the dream of every inhabitant of Hardworld: to stand some day at the awesome "cutting edge."

If he gets there, the hacks whose praise he seeks will say of him in their newspapers, "He stands at the cutting edge of —"

Of what? The cutting edge cuts and, having cut, slashes on to cut again. One hears of the cutting edge of events, of history, of the struggle for the president's mind.

This last was said recently of a notorious citizen of Hardworld: He was at the cutting edge of the struggle for President Reagan's mind.

This was the ultimate accolade, for to be at the cutting edge of that particular struggle, he obviously had to know the whereabouts of the president's mind. Knowledge this remarkable makes him an extraordinary man. Later, it will gain him an obituary of at least six paragraphs.

New York Times Service

A Cyclist Emerges From Olympic Skating Closet

By Samuel Abt
International Herald Tribune

PARIS — "Eric Heiden has all the wrong values," said a former employer. "He has absolutely no interest in fame or power."

Heiden would laugh at the charge, not because he quarrels with it but because he laughs a lot. He also likes to moan in mock dismay and then laugh. In short, life continues to be very enjoyable for Eric Heiden, who won five gold medals in speed-skating at the 1980 Winter Olympics in Lake Placid, New York.

Of course Heiden works at keeping life on his side. After he finished first in the 500, 1,000, 1,500, 5,000 and 10,000 meters, he had his pick of advertising endorsements and wealth nearly untold. However, he said, "I did some but not a lot. I was too interested in getting back and doing things I wanted to do, things skating wasn't letting me do — school, having a summer vacation, things like that."

The medals themselves did not overly impress him. "As I grow older, they're starting to mean more to me. When I first got finished with the Olympics it was just the memories, the fact that when I skated, I skated the five best races I possibly could. I didn't give up on anything — that's the thing I'll probably remember the most.

"The medals kind of reinforce that. Like I remember skating *that* race and slipping in *that* corner."

Otherwise, what use are five Olympic medals? And where are they? "They're sitting in a cedar closet in my parents' home in Madison, Wisconsin. It's a good place for them," he added with a laugh.

As the world noticed after the Olympics, Heiden appears to be remarkably polite, friendly and stable. "He knows just where he wants to go. He wants to be a nice, middle-class doctor, living a nice, middle-class life," explained the former employer, David Michaels, a producer-director with CBS television. "Just what I said: Eric has all the wrong values."

The 28-year-old Heiden, who graduated from Stanford University in California in 1985, will enter Stanford Medical School this fall.

Barbara Bell

From analysis to participation in the Tour de France.

Hoping to become a specialist in sports medicine, he said: "I think internal medicine may be the way to go." His father, Jack, is an orthopedics specialist, well-known to American skaters.

Michaels, whose own values are somewhat out of plumb with Heiden's, is in charge of the CBS program devoted weekly in July to the Tour de France bicycle race. For more than three weeks last summer, Heiden was a technical commentator on the program. "I would talk about what it's like to do time trials, to climb in the mountains, maybe hang out with a cameraman and a producer and say, 'I think this is an important part of the race.'"

John Tesh, the main commentator for the program, rated Heiden's work as "fantastic."

"He's the kind of guy who will carry batteries and a tripod and then come in and commentate," added Tesh, who describes the race and writes the music for the program. "Eric was always ready to work all night — you'd never guess he was a star."

This year, instead of analyzing the ordeals of the race, Heiden is experiencing them as a rider with 7-Eleven, the first U.S. team in the 73 editions of the world's most important bicycle race. In a chat just before 210 riders set out to cover 4,100 kilometers (2,500 miles), Heiden hinted that at last he had a cushy berth.

"I think the television guys work a lot harder than maybe just about anybody. They get up before the riders do, go to sleep after they do. From the moment they get up, they're doing something. Until they go to sleep, it's nonstop.

"Bike riders only have to ride their bikes for five hours, then they go out to dinner, get a massage. They don't have to worry about anything else. A reporter's job is never done." He laughed.

"There are going to be days where I wish I was sitting in the CBS car but from a bicyclist's point of view, the Tour de France is the race to race in." Despite two falls in the crowded pack, he ranked 96th of the 191 riders left Thursday morning and won a bonus sprint the day before.

"I learned a lot of respect for this race last year. I know it will be the hardest thing I've ever done. I'm pretty confident of my abilities but I know it's going to be hard and I'm going to have to really concentrate on what I'm doing. Otherwise it's easy to give up, especially when you're at the bottom of a hill and the finish line is only 10 kilometers away but it's going to take you maybe a half hour to get there. You're dead tired and it's easy to give up but I don't want to do that."

Besides, he has a strategy for use in the Alps, especially during the dreaded climb to Alpe d'Huez. "When I get there, I'm going to have taped on my handlebar how to say 'push' in French." Of course he laughed.

Tesh recalled the last time Heiden visited Alpe d'Huez. "We went there to do some filming of the climb and Eric got out of the car to scout around for a position. I didn't realize how many Dutchmen come to Alpe d'Huez on vacation just to watch the Tour get there. They're so crazy about skating and they all recognized Eric and tried to mob him. It was frightening, really scary. I had to hustle him back into the car fast and get out of there."

The Dutch knew Heiden not only from his competition days but also from his work as a television commentator at the world speed-skating championships in Heerenveen, the Netherlands, in 1985. He also covered the 1986 championships outside Tokyo.

Heiden does little skating these days. "A couple of times a year, that's it." One problem is California's lack of ice other than in a glass of white wine. "With the skates I have, it's no fun to skate at one of those small hockey rinks."

Another problem is the time he devotes to bicycle training. Many skaters practice competitive cycling to keep their legs in shape in warm weather, which is why Heiden started racing at age 15 in Madison. "I never got too serious about it because I was always worried about falling off my bike and ruining my skating career."

After the Olympics he made the switch to cycling, first as an amateur and since last year as a professional. "Some riders look on me as somebody just dabbling in cycling as a hobby and then there are other riders who more respect my abilities," he explained, speaking of the Tour pack.

"I don't really care what they think of me as a rider. It would be nice if they looked at me as an accomplished cyclist — to be respected by your peers, I think everybody wants that — but cycling for me is a hobby because I have so many other things going on. It doesn't allow me the time necessary to train properly a lot of the time."

In the last few months, he has averaged 30 to 40 hours of riding a week. He rode in the Tour of Italy last year, finishing "not even in the top 100," and in the Paris-Nice race this spring, again not dominating anybody. His major victory came in the U.S. pro championship last year but he finished 18th in the race this June.

His immediate goal is to finish the Tour de France, making it to the Champs-Elysées in Paris on July 27. After that come the world championships in Colorado Springs late in August.

"I've qualified in the pursuit race because only three riders signed up so all three of us will race. I haven't qualified for the road race yet. There are certain standards you have to meet, like winning a classic or placing in the top 10 in the Tour. Also the first three Americans in the national championship automatically qualify, but I wasn't one of them."

Was there no carryover qualification from his championship last year? No, Heiden said, "You've still got to prove yourself."

PEOPLE

3 Hot-Air Sculptures To Float Over 23 Cities

Three hot-air sculptures will fly over 23 European cities from August to October aiming to attract tourists to Vienna as "the capital of the unusual," a city spokesman said Thursday. The eight-million schilling ($500,000) project is the brainchild of the Austrian artist and showman **André Heller**. "Shining sculptures will float slowly out of the twilight, spitting fire and emitting sounds," a press release quoted Heller as saying. After making their debut in London on Aug. 1, the sculptures are due to appear over Oslo, Stockholm, Copenhagen, Hamburg, Amsterdam, Brussels, Düsseldorf, Cologne, Frankfurt, Munich, Zurich, Geneva, Lyon, Nice, Turin, Venice, Bologna, Florence, Naples, Madrid, Barcelona and possibly Paris.

□

A propeller problem forced the Voyager, an experimental aircraft designed to circle the globe without refueling, to land after seven hours Wednesday at Vandenberg Air Force Base, California. **Dick Rutan** and his co-pilot, **Jeana Yeager**, had planned to fly circles between Santa Barbara and San Francisco until Sunday. The flight was designed as a shakedown cruise for Rutan and Yeager, who plan to start a 14-day nonstop global journey on Sept. 14. Made of a light graphite material called Magnamite, the plane, with 110-foot plastic-and-carbon fiber wings, weighs only 939 pounds without fuel.

□

Boy George, the British rock singer, is undergoing two weeks of treatment for heroin addiction. **Richard Branson**, chairman of Virgin Records, said Boy George started treatment Monday at undisclosed medical center in England. "He's over the worst of it," Branson said.

□

Harlem Désir, leader of the French movement against racism, SOS Racisme, has been accused by a black policeman of making racial slurs. A policeman of Senegalese origin, **Christian Degbegni**, said Désir made the remarks as the officer was trying to remove him and other SOS Racisme members from the Paris offices of South African Airways, which they were picketing, according to the French newspaper Le Parisien.

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